

Royal Nickel Confirms Economic And Technical Feasibility Of Dumont Project

Bankable Feasibility Study Delivers Over\$1 Billion NPV_{8%}

(All amounts expressed in US dollars unless otherwise indicated)

TORONTO, June 17, 2013 /CNW/ -Royal Nickel Corporation ("RNC") (TSX: RNX) is pleased to announce the positive results of a bankable feasibility study ("feasibility study") for its Dumont Nickel Project ("Dumont"), demonstrating a technically and economically sound project with an after-tax \$1.1 billion NPV_{8%}.

Dumont Feasibility Study Highlights¹

- Strong project economics
 - *\$1.1 billion after-tax NPV_{8%}*
 - *15% after-tax internal rate of return ("IRR")*
- Structurally low cost operation
 - *C1 cash costs² of \$4.01/lb (\$8,840/t) during initial phase and \$4.31/lb (\$9,502/t) over life-of-project (low 2nd quartile of cash cost curve)*
- Significant earnings and free cash flow generation
 - *Estimated annual average of \$427 million EBITDA and \$238 million free cash flow over the 20-year mine life*
- Minimal increase in initial capital expenditure estimate to \$1.2 billion
 - *De-risked feasibility study capex increased by only 7% compared to 2012 revised pre-feasibility study (which used Q4 2010 basis for costing)*
- Increase in world's 3rd largest nickel reserve
 - *11% increase in ore reserves to 1.2 billion tonnes containing 6.9 billion pounds of nickel to support a 33-year project life including 1.3 billion pounds of proven reserve*
 - *Established 1 million ounce PGE (platinum + palladium) reserve*
- Nickel production expected to be among top 5 nickel sulphide operations globally (by nickel production)
 - *Initial nickel production of 73 million pounds (Mlbs) (33 kt) annually, expanded in year 5 to an annual average of 113 Mlbs (51 kt) for the remainder of the 20 year mine life*

"We are very pleased to have successfully completed this major milestone which confirms the project NPV of more than \$1 billion. When in production, Dumont is expected to be one of the largest base metal mines in Canada and one of the top five sulphide nickel producers globally, targeting production of more than \$27 billion of nickel¹ over 33 years based on current reserves alone," commented Tyler Mitchelson, President and CEO of RNC. "With our economically and technically sound feasibility study completed, I look forward to accelerating project discussions with potential partners on a financing package that will allow RNC to rapidly advance the project into the construction stage following the anticipated completion of the main permitting process by the middle of next year."

¹ Based on price and exchange rate assumptions contained in "Key Assumptions" table found on page 9 of this news release. NPV and IRR calculated from assumed start of construction, Q3 2014 and based on June 2013 real costs.

² C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits.

		PFS		Revised PFS		Feasibility Study	
		Dec. 16, 2011		May 14, 2012 ¹		Jun. 17, 2013 ²	
		Base Case		Base Case +		Base Case	
				Trolley Assist			
	Units						
Ore Mined	Mt	1,070		1,066		1,179	
Strip Ratio	Waste:Ore	1.18		1.19		1.13	
Nickel Recovery	% nickel	41		45		43	
Project Life	Years	31		31		33	
Payable Ni	MIbs (kt)	2,393	(1,085)	2,655	(1,204)	2,774	(1,258)
Payable Co	MIbs (kt)	89	(40)	55	(25)	59	(27)
Payable PGEs	Koz	517		-		490	
Total C1 Costs	\$/lb Ni (\$/t Ni)	\$4.68	(\$10,582)	\$4.32	(\$9,524)	\$4.79	(\$10,560)
By-product Credits	\$/lb Ni (\$/t Ni)	\$0.55	(\$1,213)	\$0.25	(\$551)	\$0.48	(\$1,058)
Net C1 Costs	\$/lb Ni (\$/t Ni)	\$4.13	(\$9,105)	\$4.07	(\$8,973)	\$4.31	(\$9,502)
Average EBITDA ³	\$M	\$410		\$470		\$427	
Average Free Cash Flow ³	\$M	\$228		\$262		\$238	
Initial Capital	\$M	\$1,112		\$1,112		\$1,191	
Total Capital	\$M	\$2,578		\$2,680		\$2,843	
Pre-Tax NPV _{8%}	\$M	\$1,918		\$2,437		\$2,003	
Pre-Tax IRR		20.2%		23.5%		18.7%	
Post-Tax NPV _{8%}	\$M	\$1,083		\$1,420		\$1,137	
Post-Tax IRR		16.6%		19.5%		15.2%	

1. Based on \$19,842/t (\$9/lb) Ni, \$26,455/t(\$12/lb) Co, \$1,500/oz Pt, \$750/oz Pd
2. Based on price and exchange rate assumptions contained in "Key Assumptions" table found on page 9 of this news release.
3. Average over 20 year-mine life. Over 33-year project life average annual EBITDA is \$381 million per year and average annual cash flow is \$228 million per year.

During the feasibility study, the project has been significantly de-risked technically, through additional metallurgical, mineralogical, geotechnical and engineering work, and economically, through more detailed work on capital and operating cost estimates. "Throughout the feasibility study process, RNC successfully improved project design to reduce risk and achieve improvements in operational reliability, delivering a project that can rapidly start-up and achieve our planned operational and financial performance," added CEO Tyler Mitchelson. Some highlights of these decisions were:

- Relocated waste and low-grade storage stockpiles and redesigned pit to minimize potential impact from noise and dust emissions resulting in slightly higher mining costs
- Relocated the mill to a larger rock outcrop helping to reduce geotechnical risk
- Replaced single large rope shovel at project start-up with two smaller hydraulic shovels increasing operating flexibility and lowering initial capex with a minor increase in initial mining costs
- Reduced mining footprint in first 5 years of operations resulting in lower ramp-up and mining risk
- Increased size of regrind mill to ensure that sufficient capacity and flexibility is in place
- Maintained mining rate at approximately twice milling capacity to build ore stockpile providing significant reliability and flexibility benefits

Project Development

RNC intends to continue to advance the project on multiple fronts and has targeted the following key milestones:

- Completion of partnership and financing arrangements in advance of the receipt of permits;
- Potential placement of long-lead orders driven by the project schedule, market driven equipment lead times and financing capacity;
- Receipt of main permit by mid-2014;
- Start of construction subsequent to receipt of permits in 2014; and
- Project commissioning in first half of 2016 followed by production ramp-up throughout 2016.

Additional Upside Opportunities

RNC has identified a number of additional upside opportunities that have the potential to add additional value to the project but were not included in the feasibility study in order to simplify the project and reduce implementation risk.

1) Alternative Downstream Processing Options

RNC has conducted study work to assess alternative processing options including concentrate roasting to produce a nickel oxide product, which could be used by nickel pig iron ("NPI") or ferronickel producers, and/or producing a final ferronickel product that can be used directly by the stainless steel industry. In lab scale testwork, high-grade ferronickel was produced using proven and widely used downstream roasting and reduction processes. This alternate processing option has the potential to increase recoveries, lower costs and provide greater flexibility than conventional smelting and refining.

In March 2013, RNC announced it had entered into a memorandum of understanding ("MOU") with Tsingshan Holding Group Co., Ltd. The MOU sets out the objectives of the two companies to work together in relation to downstream concentrate processing and the potential to enter into an offtake and/or partnership arrangement with respect to the Dumont project. Tsingshan is the second largest Chinese stainless steel company and one of the leading innovators in the development of vertically integrated NPI and stainless steel production operations. After working in cooperation with RNC for more than a year, Tsingshan completed its own analysis and testwork on a sulphide nickel concentrate (utilizing a process similar to the one previously announced by RNC in the news release dated October 3, 2011) in its integrated NPI/stainless steel production facilities and plans to make the necessary investment in plant and equipment once concentrate feed is secured. This innovation represents the first time that nickel sulphide concentrate would have been used directly to create stainless steel. This contemplated plant is also expected to be capable of handling nickel sulphide concentrate like that anticipated to be produced from Dumont.

2) Trolley Assist - Mining Cost Improvements

The revised pre-feasibility study ("revised PFS") demonstrated the potential to utilize trolley assist to improve the overall mining costs for the Dumont project by using electricity to replace a portion of the diesel fuel consumed by trucks. The current pit design allows for the potential to implement trolley assist during the expansion of the mine in year five. The trolley assist option has not been included in the feasibility study but will continue to be evaluated and considered depending on oil prices, electricity prices and several other factors at the time of the mine expansion.

3) Iron Ore (Magnetite) Concentrate - Potential Additional By-product Credit

The updated resource model increases the indicated resource and grade for magnetite (iron ore) compared to the revised PFS. There was a 92% increase in the indicated resource to 1,114 Mt grading 4.27% magnetite, equal to a 112% increase of contained magnetite to 47.6 Mt.

RNC continues to believe there is good opportunity for magnetite to further strengthen the economics of the Dumont project by providing the potential of an additional by-product credit that could be a benefit during periods of strong prices for iron ore.

Feasibility Study - Operating Summary

Production	Units	2016-2020	2021-2036 ¹	2036-2049	Total
Ore Mined ²	Mt	225	954	-	1,179
Expit Mining Rate	Ktpd	206	375		
Strip Ratio ²	Waste : Ore	0.75	1.22	-	1.13
Ore Milled	Mt	84	592	503	1,179
Ore Grade	% Ni	0.34	0.28	0.24	0.27
Ni Recovery	%	53	48	34	43
Co Recovery	%	52	48	34	42
PGE Recovery	%	64	59	64	61
Nickel In Concentrate	Kt (Mlbs)	150 (331)	797 (1,757)	406 (895)	1,353 (2,983)

Average Annual Production
(Contained metals in concentrate)

		52.5 ktpd	105 ktpd	Stockpile	
	Units	2016-2020	2021-2036 ¹	2036-2049	Average
Nickels ³	kt (Mlbs)	33 (73)	51 (113)	31 (68)	41 (90)
Cobalt	kt (Mlbs)	1 (2)	2 (4)	1 (3)	2 (4)
PGE	(oz 000s)	15	23	16	19

Operating Review and Costs

		52.5 ktpd	105 ktpd	Stockpile	
	Units	2016-2020	2021-2036 ¹	2036-2049	Average
NSR ⁴	\$/t ore	30.90	22.63	13.67	19.40
Mine (ore milled)	\$/t ore	5.98	5.53	0.69	3.50
Mine (material mined) ⁵	\$/t rock	1.49	1.52	-	1.52
Process	\$/t ore	4.56	4.28	4.28	4.30
G&A	\$/t ore	0.85	0.50	0.37	0.47
Site Costs	\$/t ore	11.39	10.31	5.34	8.27
Site Costs	\$/lb	3.12	3.74	3.23	3.52
TC/RC	\$/lb	1.31	1.26	1.29	1.27
Gross C1 Cash Cost	\$/lb	4.43	5.00	4.52	4.79
By-product Credits	\$/lb	(0.42)	(0.54)	(0.40)	(0.48)
Net C1 Cash Cost	\$/lb	\$4.01	\$4.46	\$4.12	\$4.31

1. 2036 is a transition year with expit operations being completed by end of Q2 2036.
2. Totals include pre-stripping of 55 Mt, including 21 million tonnes of ore and 34 million tonnes of waste before mill production commences.
3. Average annual nickel production over the 20-year mine life is 47 ktpa (104 Mlbs/yr)
4. NSR value over 20-year mine life is \$23.66 per tonne of ore.
5. Excludes \$55 million for re-handling of 103 million tonnes of stockpile material during mine life.

NPV reconciliation

The Dumont feasibility delivered a very strong project NPV₈ of \$1.1 billion. It was reduced by approximately \$283 million from the prior revised PFS due to the following:

NPV Reconciliation to Revised PFS (\$ millions)	Increase/(Decrease) vs. Revised PFS
Revised PFS NPV_{8%} - Base Case with Trolley Assist	\$1,420
Higher mill throughput	143
PGE by-product credits	88
Additional reserves	34
Higher capital cost	(59)
Higher mining costs	(186)
Lower mill recoveries	(205)
Project related impacts	(185)
Royalty financings	(104)
Other	6
Feasibility Study NPV_{8%}	\$1,137

Royalty financings in August 2012 and May 2013 that raised \$27 million in capital have helped RNC continue to aggressively advance Dumont while avoiding significant share dilution.

Project Overview

The Dumont project will be a conventional open pit mine/mill operation, using conventional drilling, blasting and loading with a combination of hydraulic and electric rope shovels and truck haulage. The mine is designed to produce ore at a rate of approximately twice the capacity of the mill, which will serve to mitigate the risk of feed shortages and allow for the highest value material to be processed in priority. As a result, an ore stock pile will be generated to continue to feed the mill for an additional 13 years at the end of the mine life with the tailings deposited in the open pit. The process plant will be constructed in two phases. Phase one will have an initial average throughput of 52.5 ktpd using a single SAG mill and two ball mills for grinding, desliming using cyclones, conventional flotation and magnetic separation, to produce a nickel concentrate also containing cobalt and PGEs. To accommodate phase two, the process plant has been designed to be expanded by the fifth year of operation to 105 ktpd by effectively duplicating most of the first mill. Additional mine equipment will also be purchased to allow the corresponding increase in mine throughput and the potential to implement trolley assist at that time.

The Dumont project has been designed to provide operational flexibility using proven technology to reduce bottlenecking risk, while at the same time building in rigid capital spending controls backed up with a highly detailed execution plan prepared by a proven and experienced project team.

A site layout diagram can be accessed at the following [link](#).

The feasibility study was completed by Ausenco, a global leader in engineering and project management services for the resource and energy sectors. Ausenco was chosen for the feasibility study because of its expertise and experience with similar sized, large scale base metal projects and proven experience with processing of ultramafic nickel deposits. Ausenco has successfully designed and constructed the Lumwana concentrator (55 ktpd) for Equinox Minerals, the Phu Kham concentrator (33 ktpd) for PanAust and the GDP3 expansion (30 ktpd concentrator) of the Gibraltar Mine for Taseko and the \$1.5 billion Constancia project for Hudbay (70 ktpd concentrator, currently in construction). The feasibility team included SRK Consulting (Canada) Inc. (resource model, geotechnical, mine waste, water balance, closure), Snowden Mining Industry Consultants ("Snowden"), (mine design), GENIVAR Inc. (environmental), Golder Associates (environmental geochemistry) and Norascon (civil).

Location

The Dumont Nickel Project is located in the western portion of the province of Quebec. The property is located, in the municipalities of Launay and Trécesson, approximately 25 km west of the city of Amos, approximately 60 km northeast of the industrial and mining city of Rouyn-Noranda and 70 km northwest of the city of Val-d'Or.

Mineral Resources (inclusive of mineral reserves)

Mineral Resource Statement, Dumont Nickel Project, Quebec, SRK Consulting (Canada) Inc.,

April 30, 2013¹

Resource Category	Quantity	Grade		Contained Nickel		Contained Cobalt	
	(000 t)	Ni (%)	Co (ppm)	(000 t)	(Mlbs)	(000 t)	(Mlbs)
Measured	372,100	0.28	112	1,050	2,310	40	92
Indicated	1,293,500	0.26	106	3,380	7,441	140	302
Measured + Indicated	1,665,600	0.27	107	4,430	9,750	180	394
Inferred	499,800	0.26	101	1,300	2,862	50	112
Resource Category	Quantity	Grade		Contained Palladium		Contained Platinum	
	(000 t)	Pd (gpt)	Pt (gpt)	(000's ounces)		(000's ounces)	
Measured	372,100	0.024	0.011	288		126	
Indicated	1,293,500	0.017	0.008	720		335	
Measured + Indicated	1,665,600	0.020	0.009	1,008		461	
Inferred	499,800	0.014	0.006	220		92	
Resource Category	Quantity	Grade		Contained Magnetite			
	(000 t)	Magnetite (%)		(000 t)	(Mlbs)		
Measured	-	-		-	-		
Indicated	1,114,300	4.27		47,580	104,905		
Measured + Indicated	1,114,300	4.27		47,580	104,905		
Inferred	832,000	4.02		33,430	73,702		

1. Reported at a cut-off grade of 0.15 percent nickel inside conceptual pit shells optimized using nickel price of US\$9.00 per pound, average metallurgical and process recovery of 40 percent, processing and G&A costs of US\$6.30 per tonne milled, exchange rate of C\$1.00 equal US\$0.90, overall pit slope of 42 degrees to 50 degrees depending on the sector, and a production rate of 105,000 tonnes per day. Values of cobalt, palladium, platinum and magnetite are not considered in the cut-off grade calculation as they are by-products of recovered nickel. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

Mineral Reserves

Mineral Reserve Statement, Dumont Nickel Project, Quebec, Snowden,
June 17, 2013¹

Category	000 t	Grades				Contained Metal			
		Ni (% Ni)	Co (ppm)	Pd (gpt)	Pt (gpt)	Ni Mlbs	Co Mlbs	Pd 000 oz	Pt 000 oz
Proven	179,600	0.32	114	0.029	0.013	1,274	45	166	77
Probable	999,000	0.26	106	0.017	0.008	5,667	233	550	250
Total	1,178,600	0.27	107	0.019	0.009	6,942	278	716	328

1. Reported at a cut-off grade of 0.15 percent nickel inside an engineered pit design based on a Lerchs-Grossmann (LG) optimized pit shell using a nickel price of US\$5.58 per pound (62 percent of the long-term forecast of US\$9.00 per pound), average metallurgical recovery of 43 percent, marginal processing and G&A costs of US\$6.30 per tonne milled, long term exchange rate of C\$1.00 equal US\$0.90, overall pit slope of 42 degrees to 50 degrees depending on the sector, and a production rate of 105,000 tonnes per day. Mineral Reserves include mining losses of 0.28 percent and dilution of 0.49 percent that will be incurred at the bedrock overburden interface (which corresponds to mining losses of 1 metre and 2 metres of dilution along this contact). The Proven Reserves are based on Measured Resources included within run-of-mine (ROM) mill feed. Probable Reserves are based on Measured Resources included within stockpile mill feed plus Indicated Resources included in both ROM and stockpile mill feed. All figures are rounded to reflect the relative accuracy of the estimates.

Mining

Approximately 55 million tonnes of material would be pre-stripped prior to start-up of operations. The life-of-mine plan is expected to mine 2.5 billion tonnes of material consisting of 1.3 billion tonnes of waste rock and overburden and 1.2 billion tonnes of ore over a 20-year mine life using electric rope shovels and large scale haul trucks. The trolley assist option can potentially be implemented during the expansion in year five. The lower grade, lower recovery portion of the ore will be stockpiled in order to maximize throughput of higher value ore in the earlier years. The overall strip ratio for the project is 1.1:1.

Approximately 0.5 billion tonnes of the lower grade ore stockpile is expected to remain at the end of mine life and be processed for an additional 13 years, utilizing the open pit mine for tailings disposal.

A detailed production schedule can be accessed at the following [link](#).

Processing

The nickel recovery plant and associated infrastructure facilities will process run-of-mine or stockpiled ore to a primary crusher feeding a conventional milling process consisting of a primary gyratory crusher, SAG and ball mill combination, desliming, nickel flotation and magnetic separation of the flotation tails. Subsequent cleaning stages on both the flotation and magnetic concentrate then occur. The nickel concentrate will be thickened and filtered on site prior to shipment by truck or rail to third party smelters.

In addition to nickel, PGEs and cobalt are also recovered in the nickel concentrate. PGE recovery is estimated to be 61%. Cobalt recovery has been estimated to be an average of 42% to follow nickel recovery, as the deportment of cobalt between the recoverable minerals and silicates is similar to nickel.

The average nickel concentrate grade over the life of the project is estimated to be 29%. This relatively high grade is one of the important reasons why Dumont concentrate is suitable for the alternative downstream processing options discussed above.

The tailings storage facility ("TSF") is located immediately west of the mine/mill complex. The TSF is designed in two phases with the first phase holding 142 million tonnes of tailings and the second phase holding an additional 538 million tonnes of tailings – enough for the first 20 years that the pit will be active. After that, as mining has ceased in the open pit, the mill tailings will be pumped directly into the open pit. Process water will be sourced from a combination of water pumped from the mine, recycled from the TSF and surface water captured and stored in a reservoir at the southeast end of the open pit. No water extraction from the Villemontel River is planned under normal operating conditions.

Infrastructure

The Dumont project is located adjacent to a rail line and highway and a power line with sufficient capacity for the construction period. A short 6 km rail spur will be built off the rail line to provide access into the mine property and a 10 km power line feed from an existing high voltage line south of the property will be constructed to provide sufficient power for operations.

Capital Cost Estimate

Summary of Capital Costs^{1,2}

(\$ millions)	Initial Capital	Expansion Capital	Sustaining Capital	LOM Capital
Mine	304	194	381	879
Process Plant	523	472	225	1,220
Tailings	32	55	155	242
Infrastructure	83	24	-	107
Indirect Costs ³	149	73	-	222
Contingency ⁴	100	73	-	173
Total	\$1,191	\$891	\$761	\$2,843

1. Accuracy of capital cost estimates are +/- 15%

2. Infrastructure costs for sustaining capital are included in process plant costs

3. Excludes first fills of \$14 million initial capital and \$7 million expansion capital and the associated \$20 million release in sustaining

capital at the end of the project life

4. Initial capital contingency of \$100 million plus growth component of \$29 million for an initial contingency of \$129 million representing 12% of costs at risk in the initial capital figure

Contingency and growth of 12% on direct and indirect costs for the initial capital estimate is based upon a line item review of the level of engineering definition achieved for the feasibility study by area.

Operating Cost Estimate

Operating Costs	\$/pound	Operating Costs	\$/t ore
Mining	1.49	Labour	1.35
Processing	1.83	Consumables	2.45
G & A	0.20	Maintenance	1.57
Total Site Cost	3.52	Diesel	0.97
TC / RC	1.27	Electricity	1.53
By-product Credits	(0.48)	Contracts & Other	0.40
Total	\$4.31	Total	\$8.27

Break even NPV₀ is \$5.50 per pound of nickel and break even NPV_{8%} is \$7.04 per pound of nickel.

Economic Analysis and Sensitivities

Economic Analysis

Parameter	Pre-Tax	After Tax
NPV (\$ millions @ 8%)	\$2,003	\$1,137
IRR	18.7%	15.2%
Simple Payback Period (years)	5.3	6.1

NPV calculated from assumed construction start date (Q3 2014) using June 2013 real dollar estimates.

Key Assumptions¹

Parameter	2015	2016	2017	Long Term
Nickel Price (\$ per pound)	\$9.50	\$10.00	\$10.50	\$9.00
US\$/CDN\$ exchange rate	\$0.95	\$0.95	\$0.90	\$0.90
Platinum Price (\$ per ounce)	\$1,800	\$1,800	\$1,800	\$1,800
Palladium Price (\$ per ounce)	\$700	\$700	\$700	\$700
Cobalt Price (\$ per pound)	\$14	\$14	\$14	\$14
Electricity (CDN\$ per kilowatt hour)	\$0.0445	\$0.0445	\$0.0445	\$0.0445
Oil (\$ per barrel)	\$90	\$90	\$90	\$90

1. Price assumptions for nickel, cobalt, platinum and palladium based on average forecasts for group of five institutions currently covering RNC where published forecasts are available (4 of 5 analysts for long-term nickel price as of April 25, 2013). Oil price assumption based on Thomson Reuters' analyst consensus estimates.

Sensitivity	NPV _{8%} (\$ millions)		C1 Cash Cost (\$/lb)		IRR%	
	+	-	+	-	+	-
Nickel Price ±\$1/lb	\$494	\$505	\$0.10	\$0.10	2.9%	3.1%

Nickel Price ±10% (\$8.10 - \$9.90 /lb)	\$451	\$461	\$0.09	\$0.09	2.7%	2.9%
Cobalt Price ±\$1/lb	\$11	\$11	\$0.02	\$0.02	0.1%	0.1%
Platinum Price ±10%	\$5	\$5	\$0.01	\$0.01	0.0%	0.0%
Palladium Price ±10%	\$4	\$4	\$0.01	\$0.01	0.0%	0.0%
Oil Price ±\$10/bbl	\$30	\$35	\$0.04	\$0.04	0.2%	0.2%
Sulfuric Acid Price ±10%	\$6	\$6	\$0.01	\$0.01	0.0%	0.0%
Initial Capital Expenditure ±10%	\$83	\$87	\$0.00	\$0.00	1.0%	1.1%
Expansion Capital Expenditure ±10%	\$38	\$42	\$0.00	\$0.00	0.4%	0.4%
Total Capital Expenditure ±10%	\$140	\$141	\$0.00	\$0.00	1.4%	1.7%
Site Operating Costs ±10%	\$201	\$203	\$0.35	\$0.35	1.2%	1.2%
TC/RC ±10%	\$71	\$76	\$0.13	\$0.13	0.4%	0.5%
US\$/CDN\$ ±\$0.05	\$149	\$151	\$0.17	\$0.17	1.1%	1.2%
Mill Recovery ±1.0%	\$105	\$101	\$0.07	\$0.07	0.6%	0.6%
Payable Nickel ±1%	\$54	\$49	\$0.04	\$0.04	0.3%	0.3%

Permitting

In November 2012, the Environmental and Social Impact Assessment ("ESIA") for the Dumont project was filed with the Quebec Ministry of Sustainable Development, Environment and Parks (MDDEP) and the federal Canadian Environmental Assessment Agency (CEAA). Reviews and exchanges of information are ongoing. RNC anticipates permits for Dumont will be obtained by mid-2014.

To further assist in the permitting process, RNC initiated a stakeholder consultation process in the early stages of the project and earlier this year opened a community liaison office to further enhance the flow of information between RNC and the local community. The results of consultations have been integrated into the ESIA and have been considered where possible in the development of the PFS, revised PFS, and feasibility study.

Geochemical testwork has shown that waste rock and tailings will not be acid generating and that tailings will not require sub-aqueous deposition. Multiple baseline studies have been completed and others are ongoing. The completed studies have not indicated any major environmental constraints.

NI 43-101 Compliance

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements by, or under the supervision of, Paul Staples, P.Eng., of Ausenco, Sébastien Bernier, P.Geo., of SRK Consulting (Canada) Inc. and David A. Warren, Eng., of Snowden, all of whom are independent Qualified Persons as set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The Mineral Resource estimate set out in this news release was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by Sébastien Bernier, P.Geo (OGQ#1034, APGO#1847), Principal Consultant - Resource Geology at SRK

The Mineral Reserve estimate set out in this news release was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by David A. Warren (OIQ 121481), Principal Consultant - Mining at Snowden.

Readers are advised that Mineral Resources not included in Mineral Reserves do not demonstrate economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that Inferred Mineral Resources will be converted to Measured and Indicated categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

Based on the resource estimate, a standard methodology for pit limit analysis, mining sequence and cut-off grade optimization, including application of mining dilution, process recovery, economic criteria and physical mine and plant operating constraints has been followed to design the open pit mine and to determine the mineral reserve estimate for the deposit as summarized in the Mineral Reserve table.

The full feasibility study, prepared as an NI 43-101 compliant technical report, will be filed under RNC's profile on SEDAR at www.sedar.com within 45 days.

Conference Call

Royal Nickel will be hosting a conference call and webcast to discuss the feasibility study highlights today beginning at 10:00 a.m. (Eastern Time). Participants may join the call by dialing toll free 1-888-231-8191 or 1-647-427-7450 for local calls or calls from outside Canada and the United States. A live webcast of the call will be available through CNW Group's website at www.newswire.ca/en/webcast/index.cgi.

A recording of the conference call will be available for replay for a one week period beginning at approximately 1:00 p.m. (Eastern Time) today by dialing toll free 1-855-859-2056 or 1-416-849-0833 for local calls or calls from outside Canada and the United States. The pass code for the replay is 77422497. A replay of the webcast and the associated webcast presentation will be available through a link on our website at www.royalnickel.com.

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the exploration, evaluation, development and acquisition of base metal and platinum group metal properties. RNC's principal asset is the Dumont Nickel Project strategically located in the established Abitibi mining camp, in the municipalities of Launay and Trécesson, 25 kilometres northwest of Amos, Quebec. RNC has a strong management team and Board with over 100 combined years of mining experience in the nickel business at Inco and Falconbridge. RNC's common shares trade on the TSX under the symbol RNX.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating cost estimates, project and life of mine estimates, construction of the mine and related infrastructure, the timing and amount of future production, costs of production, success of mining operations, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The feasibility study results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Even with the completion of the feasibility study, there are no assurances that Dumont will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities. The MOU is non-binding and there is therefore no assurance that the objectives set out in the MOU will be realized. The use of the term "bankable" in this news release should not be construed as an indication that RNC has arranged or will be able to arrange project financing. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at www.sedar.com.

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws

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SOURCE: Royal Nickel Corporation

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