



ROYAL NICKEL CORP

NEWS RELEASE

(All amounts expressed in U.S. dollars unless otherwise indicated)

Royal Nickel Announces \$15 Million Royalty Financing from Leading Global Mining Investor

Toronto, Ontario, May 9, 2013 – Royal Nickel Corporation (“RNC”) (TSX: RNX) is pleased to announce that it has signed a royalty purchase agreement with RK Mine Finance (“Red Kite”). Under the terms of the agreement, Red Kite will acquire a 1% Net Smelter Return (“NSR”) Royalty in the Dumont Nickel Project for a purchase price of \$15 million.

“This commitment by Red Kite is a significant endorsement of the Dumont project by a recognized global mine finance firm. This royalty sale provides an attractive form of financing, particularly in current capital market conditions. The additional capital will allow us to continue to aggressively advance the project once the feasibility study is completed by mid-year. We look forward to working further with Red Kite as we advance the project,” said Tyler Mitchelson, President and CEO of RNC.

Pursuant to the agreement between RNC and Red Kite, on closing RNC will receive \$15 million and Red Kite will be entitled to receive 1% of the net smelter return from the sale of minerals produced from the Dumont Nickel Project. Closing is expected to occur on May 10, 2013.

RNC’s Dumont project contains the third largest nickel reserve in the world¹ and is expected to be among the largest 5 nickel sulphide operations in the world. RNC is on track to release the results of a feasibility study for the Dumont project by mid-2013 and the permitting process is well underway with necessary permits expected to be received by the second quarter of 2014.

In May 2012, RNC announced the results of a revised pre-feasibility study² for Dumont which demonstrated an after-tax NPV_{8%} of \$1.4 billion and after-tax internal rate of return of 19.5%³. Over the 31-year project life, C1 cash costs are estimated to be \$4.07 per pound⁴ with average annual nickel production of 91 million pounds (108 million pounds annually over the 19 year mine life).

About Red Kite

RK Mine Finance specializes in providing development, acquisition and bridge financing to miners of precious and non-ferrous metals.

RK Mine Finance is part of the Red Kite Group, one of the largest metal merchants in the world. The Group has over \$3.5 billion under management (as of April 30, 2013), with \$1.7 billion dedicated exclusively to the mine finance business.

Red Kite provides mining companies with project financing and metal off-take agreements for initiation or expansion of mine production. Red Kite operates across the global metals industry from offices in Bermuda, Denver, Hong Kong, London, New York, Shanghai and Sydney. Investors in Red Kite funds include college endowments, foundations, family offices, pension funds and other institutional investors. For more information about Red Kite please visit www.rkminefinance.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, 25 kilometres northwest of Amos, Quebec. RNC has a strong management team and Board with over 100 years of mining experience in the nickel business at Inco and Falconbridge. RNC's common shares trade on the TSX under the symbol RNX.

Unless otherwise indicated, RNC has prepared the technical information in this news release ("Technical Information") based on information contained in the pre-feasibility study dated June 22, 2012, relating to the Company's Dumont Nickel Project and news releases (collectively the "Disclosure Documents") available under RNC's company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 of the Canadian Securities Administrators. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents. The Technical Information contained in this news release has been approved by Alger St-Jean, P. Geo., Vice President Exploration of RNC and Johnna Muinonen, Vice President Operations of RNC, both Qualified Persons under NI 43-101.

Notes:

1. Nickel reserve reported in NI 43-101 compliant technical report dated June 22, 2012 available on RNC's website and under RNC's profile on SEDAR at www.sedar.com compared to nickel reserves reported in company reports and in Wood Mackenzie data
2. Full NI 43-101 compliant technical report dated June 22, 2012 available on RNC's website and under RNC's profile on SEDAR at www.sedar.com.
3. Based on US\$9.00 per pound long term nickel price and CDN\$1.00 = US\$0.90 exchange rate. NPV calculated from assumed start of construction, January 2014 and based on October 2011 real costs.
4. 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

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the expected completion of the Red Kite financing, delivery of a full feasibility study, advancing the Dumont project and the expectation that the Dumont project will be among the largest 5 nickel sulphide operations in the world. 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 the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Completion of the Red Kite financing is subject to closing conditions set out in the agreement. The pre-feasibility study results are estimates only, are preliminary in nature and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Until a positive feasibility study has been completed, and even with the completion of a positive 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. 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 the Corporation 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 the Corporation 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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