



ROYAL NICKEL CORP

NEWS RELEASE

Royal Nickel Reports Significant Progress on Project Development Milestones and Announces Year End 2011 Results

Toronto, Ontario, March 15, 2012 – Royal Nickel Corporation (TSX: RNX) (“RNC” or the “Corporation”) is pleased to report its review of activities and financial results for the year ended December 31, 2011. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the audited financial statements for the twelve months ended December 31, 2011, unless otherwise noted.

Tyler Mitchelson, President and CEO, commented, “I am very pleased with the progress made and milestones achieved in 2011. Completing the pre-feasibility study, launching of our environmental permitting process and completing the first phase of our voluntary, comprehensive community consultation process, which enabled independent input from the stakeholder community, were key successes that moved the project forward. With the appointment of Rothschild as our project finance advisor, we will now focus on financing the next phase of the Dumont Nickel Project’s development.”

2011 AND RECENT HIGHLIGHTS

- On January 18, 2012, the Corporation announced that it had engaged Rothschild as its financial advisor in planning, preparing and subsequently implementing the currently contemplated project financing for the Dumont Nickel Project.
- On December 16, 2011 the Corporation announced that the Dumont Nickel Project NI 43-101 compliant pre-feasibility study technical report had been filed under the Corporation’s profile on SEDAR. Highlights of the pre-feasibility study are as follows:
 - US\$1.1 billion after-tax NPV_{8%}, 16.6% after-tax IRR¹
 - C1 cash costs² of US\$4.13 per pound, second quartile unit cash costs
 - Staged development approach: lower cost and lower risk — more than 50% reduction in initial capital outlay from the 100 ktpd scenario outlined in the preliminary economic assessment
 - Initial capital expenditure of US\$1.1 billion for 50 ktpd operation
 - Expansion to 100 ktpd by year 5 requires \$0.7 billion of additional capital
 - 1.1 billion tonnes of reserves at 0.27% nickel, life-of-mine strip ratio of 1.2:1, 31-year project life
 - Average annual contained nickel production of 96 million pounds (44 kt) during the 19-year mine life and 59 million pounds (27 kt) for the subsequent 12 years from processing of the lower grade stockpile

¹ Based on US\$9.00 per pound long term nickel price and CDN\$1.00 = US\$0.90 exchange rate. NPV and IRR calculated from start of construction, January 2014 and based on October 2011 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. C1 cash cost per pound is a non-IFRS financial performance measure with no standard definition under IFRS.

- Single high grade concentrate containing an average of 33% nickel over life of project
- On December 5, 2011, the Corporation announced that the *Avis de Projet* for the Dumont Nickel Project was filed on December 2, 2011 in order to notify the Quebec Ministry of Sustainable Development, Environment and Parks (MDDEP) of its intention to proceed with the development of Dumont. The Project Notice provides preliminary information about Dumont to the MDDEP and to the federal Canadian Environmental Assessment Agency. The filing of the Project Notice is the first step in the Environmental Impact Assessment and Review Procedure.
- Completed the pre-feasibility study phase of community information and consultation process that was initiated on March 2, 2011, ahead of the completion of the pre-feasibility study, in order to understand and address community views early in the Dumont Nickel Project's development and to enhance the pre-feasibility study.
- On October 3, 2011, the Corporation announced the results of preliminary testwork completed on a lab scale sample of concentrate from its Dumont Nickel Project. High-grade ferronickel was produced from this sample using proven and widely used downstream roasting and reduction processes creating the potential for an alternate processing option for concentrate anticipated to be produced from Dumont. This alternate processing option has the potential to provide higher recoveries, lower costs, and greater flexibility than conventional smelting and refining.
- On September 26, 2011, the Corporation announced that it had retained GENIVAR Inc., a leading international engineering consulting firm to complete both the *Avis de Projet* (Project Notice), which initiates the environmental permitting process, and the Environmental and Social Impact Assessment (ESIA).
- On January 13, 2011, the Corporation announced the completion of the sale of 2,925,000 units at a price of \$2.25 per unit for gross proceeds of an additional \$6.6 million on the exercise by the underwriters of the over-allotment option granted in connection with the Corporation's December 2010 initial public offering.
- RNC incurred a net loss of \$7.8 million for the twelve months ended December 31, 2011 compared to a net loss of \$14.9 million in the same period in 2010.

For the three months ended December 31, 2011, the Corporation incurred a loss of \$1.8 million (\$0.03 per share) compared to \$4.7 million (\$0.07 per share) in the same period last year. The lower loss is primarily due to a decrease in general and administrative expenses of \$2.2 million, which reflects a \$2.1 million reduction in the share based payments charge. For the year ended December 31, 2011, the Corporation incurred a loss of \$7.8 million (\$0.09 per share) compared to \$14.9 million (\$0.24 per share) in the same period last year. The lower loss is primarily due to a reduction of \$8.6 million in the non-cash share based payments charge and the absence of a non-cash liquidity entitlement charge of \$1.3 million offset partially by an increased deferred income tax expense of \$0.6 million and higher general and administrative expenses of \$2.5 million.

Targeted Key Milestones for 2012

- Completion of an updated NI 43-101 pre-feasibility study technical report by the end of the second quarter of 2012.
- Initiation of the feasibility study in mid 2012
- Ramp-up of the project financing process in the first half of 2012, focusing on selecting a project partner
- Ferronickel final product scoping study by mid 2012
- Potential placement of long-lead orders starting in the second half of 2012

- Completion of Environmental and Social Impact Assessment by the second half of 2012.

Highlights of the Corporation's financial position are as follows (in millions of dollars):

	December 31, 2011	December 31, 2010¹
Cash position ²	19.7	47.5
Working capital ³	27.1	44.5
Total assets	86.4	86.6
Shareholder's equity	76.7	76.8

1 Revised under IFRS

2 Includes Cash and Cash equivalents.

3 Working capital is a measure of current assets less current liabilities.

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 100% owned 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. The Corporation's common shares and warrants trade on the TSX under the symbols RNX and RNX.WT.

Unless otherwise indicated, the Company has prepared the technical information in this news release ("Technical Information") based on information contained in the pre-feasibility study dated December 16, 2011 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 prepared under the supervision of Alger St-Jean, P. Geo., Vice President Exploration of the Company and Johnna Muinonen, Vice President Operations of the Company, both Qualified Persons under NI 43-101.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to key milestones for 2012.

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 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 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 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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