



NEWS RELEASE

(All amounts expressed in US dollars unless otherwise indicated)

Royal Nickel Confirms Potential to Produce By-product Iron Ore Concentrate from Dumont Nickel Project

Toronto, Ontario, April 16, 2012 – Royal Nickel Corporation (“RNC”) (TSX: RNX) is pleased to announce the completion of additional metallurgical testwork on production of by-product iron ore (magnetite) concentrate from the Dumont Nickel Project (“Dumont”) and an initial assessment of the marketability of the concentrate completed by CRU Strategies. This additional work confirms the potential to produce an iron ore by-product from the existing magnetic tailings stream in the Dumont pre-feasibility nickel recovery flowsheet. Results of these studies will be incorporated into a revised pre-feasibility study expected to be released in May 2012.

“Our additional testwork confirms that iron ore concentrate is expected to be a valuable by-product from Dumont,” said Tyler Mitchelson, President and CEO of Royal Nickel Corporation. “I look forward to seeing the impact of the addition of an iron ore by-product on our upcoming revised pre-feasibility study along with anticipated improvements in nickel recoveries, use of trolley assist in our open pit mine and an updated resource.”

Metallurgical testwork was completed on five different composite samples from across the Dumont deposit. These samples produced iron ore concentrate grading an average of 63.5% iron, while recovering an average of 2.6% of total ore feed. The test results produced iron ore concentrates that had iron values ranging from 61% to 69% at recoveries that ranged from 1.8% to 3.9% of the total ore feed. Because iron ore concentrate is not typically produced from ultramafic nickel deposits, the resulting concentrate had very low levels of typical iron ore impurities like phosphorous <0.01% and silica (SiO₂) and alumina (Al₂O₃) while having much higher concentrations of impurities like chrome and magnesia (MgO). The summary of the test results from the testwork can be found in Table 1 below.

The initial marketability assessment indicated that the FOB Quebec City price is estimated to be \$94 per tonne based on the 3-year average iron ore price of \$131 per tonne for IODEX 62% sinter prices CFR China from 2009 through 2011. At a long-term benchmark iron ore price of \$100 per tonne, the FOB Quebec City price would be approximately \$62 per tonne.

RNC engaged CRU Strategies to complete an initial assessment of the marketability of the iron ore concentrate based on an initial set of target specifications. Based on the results of the tests, the iron content, phosphorous, silica, alumina, and sulphur content of the target specifications met or exceeded those of the IODEX benchmark 62% iron sinter fines delivered to China. The report noted that “The levels of chrome and nickel result in this material only being suitable for blending ahead of the blast furnace. As such, the material will likely be sold via a trader. The chrome content of the ore made it suitable for widespread use only in the Chinese market.” The

CRU results, showing a net cash FOB Quebec City price (allowing for value-in-use adjustments, freight costs, and trader discounts) through 2021 can be found in Table 2 below.

RNC will conduct further testwork during the planned Feasibility Study to determine the optimal trade-off for the iron ore concentrate between grade and recovery and will begin discussions with traders in China to determine potential offtake terms.

Table 1:
Dumont Deposit Composite Sample Metallurgical Testwork*

(All values expressed as percentages)

	Outcrop Sample 1 (1375)	Composite Sample 2 (1298)	Composite Sample 3 (1376)	Composite Sample 4 (1377)	Composite Sample 5 (1318)	Average Test Result	Dumont Target Spec
Recovery (% of feed)	1.8	2.3	3.9	2.7	2.1	2.6	
Fe	66.7	61.0	64.3	65.9	59.4	63.5	63.5
P	< 0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
SiO ₂	1.57	4.65	2.64	2.33	5.83	3.40	4.00
Al ₂ O ₃	0.07	0.06	0.19	0.05	0.09	0.09	0.10
MgO	1.71	7.12	3.55	3.32	8.41	3.92	6.0
CaO	0.02	<0.01	<0.01	<0.01	<0.01		0.01
TiO ₂	0.03	0.04	0.05	0.03	0.03	0.04	0.04
Na ₂ O	< 0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
K ₂ O	< 0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
S	0.03	0.04	0.02	0.02	0.03	0.03	0.02
Mn	0.21	0.11	0.19	0.11	0.11	0.14	0.16
Cr	0.4	0.2	1.6	0.3	0.5	0.6	0.6
V	< 0.01	<0.01	0.02	<0.01	<0.01	<0.01	<0.01
Ni	0.36	0.10	0.10	0.13	0.10	0.16	0.40

* The magnetic concentrate feed for these lab scale tests was generated from processing approximately 200-400 kilograms of each composite through the RNC miniplant in 2011.

Table 2:
CRU Strategies Price Forecast Incorporating Value-in-use Calculations - Real 2011\$

April 12, 2012 (using March 2012 CRU price forecast, capesize vessels)

All prices \$/dmt	Average 2009-2011	Forecast									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Price, FOB Quebec City (net of trader discount)	94	111	114	104	95	90	67	57	52	49	47

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. RNC's common shares and warrants trade on the TSX under the symbols RNX and RNX.WT.

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 (i) the timing of the release of the updated pre-feasibility study, (ii) the anticipated results to be contained in the updated pre-feasibility study, (iii) metal prices and FOB Quebec City prices and other adjustments and forecasts contained in the CRU results, (iv) the value and sale-ability of the by-product iron ore concentrate, and (v) completion of further testwork and completion of a planned feasibility study. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Readers should not place undue reliance on forward-looking information..

Forward-looking information involves 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 information. The forward-looking information contained in this news release assumes that the by-product iron ore concentrate achieved from the testwork samples will be consistently achieved for all Dumont ore feed. Until the updated pre-feasibility study has been completed, and even with the completion of a positive updated pre-feasibility study, there is no assurance that any by-product iron ore concentrate will be produced from Dumont ore feed or that there will be any production from Dumont. 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 information contained herein are made as of the date of this news release and RNC disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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