



ROYAL NICKEL CORP

NEWS RELEASE

Royal Nickel Engaged in Concentrate Processing Discussions

Toronto, Ontario, October 17, 2012 – Royal Nickel Corporation (“RNC”) (TSX: RNX) is pleased to announce that it is engaged in discussions with multiple companies to process the concentrate anticipated to be produced at its Dumont Nickel Project (“Dumont”) using the alternative roast and reduction processes previously announced by RNC in its news release dated October 3, 2011.

Alternative downstream processing methods to produce an oxide product and then ferronickel from Dumont concentrate have the potential to add value by providing lower costs and greater flexibility than conventional smelting and refining. Accordingly, RNC had intended to release the results of a study by the end of the third quarter of 2012; however, as RNC believes that it can potentially derive significant competitive advantages from these alternative downstream processing methods for Dumont concentrate, these technical details will not be disclosed.

This process, and the companies involved, is distinct from the partner process currently underway to sell up to a 40% stake in the Dumont project (see news release dated September 12, 2012).

Tyler Mitchelson, President and CEO, commented, “We are encouraged by the significant amount of interest in alternate downstream processing options for treating Dumont nickel concentrate. From our discussions with various downstream nickel and stainless steel industry participants, we believe that it can provide a significant opportunity to generate value for RNC.”

RNC expects to complete discussions with the interested parties by the end of the first half of 2013 and will provide an update once these discussions are concluded.

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 and warrants trade on the TSX under the symbols RNX and RNX.WT.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to concentrate anticipated to be produced at the Dumont project.

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. Factors that could affect the outcome include, among others: the actual results of development activities, project delays, inability to raise the funds necessary to develop Dumont, inability to negotiate terms, general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; feasibility study results or delays in obtaining governmental approvals or necessary permitting. 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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