



**ROYAL NICKEL CORP**

## **NEWS RELEASE**

### **Royal Nickel Announces First Quarter 2014 Results**

**Toronto, Ontario, May 8, 2014** – Royal Nickel Corporation (“RNC”) (TSX: RNX) is pleased to report its review of activities and financial results for the quarter ended March 31, 2014. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the unaudited condensed interim financial statements for the three months ended March 31, 2014, unless otherwise noted.

Mark Selby, Interim President & CEO, commented, “We continue to aggressively advance our Dumont project and I am pleased that we have taken another significant step forward in the permitting process. The strong rebound in the nickel market and the announcement by Tsingshan, a large stainless steel producer, of an innovative new process to use sulphide nickel concentrate directly in stainless steel production has generated additional interest from potential partners for the Dumont project and we continue to advance discussions. We remain well-positioned to benefit from a rapidly improving nickel market.”

#### **FIRST QUARTER AND RECENT HIGHLIGHTS**

- On February 11, 2014, RNC announced that Tyler Mitchelson, President and CEO, was leaving RNC in order to take a senior position with Anglo American Corporation. Mr. Mitchelson remains as a Director of RNC. Mark Selby, SVP Business Development at RNC since 2010, was appointed Interim President and CEO.
- On March 24, 2014, RNC reported that Tsingshan Holding Group, a party with whom RNC entered a strategic alliance in March 2013, is currently constructing the world’s first integrated nickel pig iron (NPI) plant to utilize nickel sulphide concentrate as part of the stainless steel production process. The plant is expected to begin operation this year. This significant innovation represents the first time that nickel sulphide concentrate will be directly used to create stainless steel. This innovation offers significant potential benefits to the producers of suitable nickel sulphide concentrate feed including lower costs due to simpler processing compared to traditional smelting and refining, and greater flexibility for more potential partners and customers. This plant is also expected to be possibly capable of handling nickel sulphide concentrate anticipated to be produced from the Dumont Nickel Project.
- On April 2, 2014, RNC announced the publication of the Dumont Nickel Project’s Environmental and Social Impact Assessment (ESIA) by the Quebec Ministry of Sustainable Development, Environment, Wildlife and Parks through the agency of the Bureau d’audiences publiques sur l’environnement (BAPE). This was an important step in the permitting process and marks the beginning of the BAPE’s public information and consultation process.
- On April 14, 2014, RNC announced it had gained exposure to the highly prospective Aer-Kidd nickel-copper-platinum group metals project in Sudbury through the acquisition of a 25% interest in Sudbury Platinum Corporation for cash consideration of \$1.5 million.

## Targeted Future Milestones

Royal Nickel has the following targeted key milestones to achieve the development of the Dumont Nickel Project:

- Completion of partnership and financing arrangements;
- Receipt of main permit during the second half of 2014;
- Estimated construction schedule of 22 months post successful permitting and securing financing;
- Assuming permits and financing in place by the end of 2014, project commissioning is targeted to begin in the second half of 2016 followed by production ramp-up.

## Financial Results

For the three months ended March 31, 2014, RNC incurred a net loss of \$2.3 million (\$0.02 per share), compared to a net loss of \$1.8 million (\$0.02 per share) in the same period in 2013. The increased net loss is due primarily to higher general and administrative expenses of \$0.8 million offset partially by a lower deferred income tax expense of \$0.3 million. The increase in general and administrative expenses is due primarily to a higher share-based payments expense of \$0.6 million, which includes a net mark-to-market expense increase of \$0.6 million for outstanding cash-settled share-based grants under RNC's Share Incentive Plan. The increase in the mark-to-market expense reflects an increase in RNC's share price from \$0.28 as at December 31, 2013, to \$0.47 as at March 31, 2014.

**Highlights of RNC's financial position are as follows** (in millions of dollars):

	March 31, 2014	December 31, 2013
Cash position <sup>1</sup>	9.7	11.9
Working capital <sup>2</sup>	10.2	13.5
Tax credits receivable <sup>3</sup>	2.4	3.5
Total assets	72.8	74.8
Shareholder's equity	60.4	62.6

<sup>1</sup> Includes Cash and Cash equivalents.

<sup>2</sup> Working capital is a measure of current assets less current liabilities

<sup>3</sup> Current portion of tax credits receivable is \$2.1 million (2013: \$3.3 million) and non-current portion is \$0.3 million (2013: \$0.2 million)

## About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the acquisition, exploration, evaluation and development 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 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 feasibility study dated July 25, 2013, relating to RNC's Dumont Nickel Project and news releases (collectively the "Disclosure Documents") available under RNC's company profile on SEDAR at [www.sedar.com](http://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.

**Cautionary Statement Concerning Forward-Looking Statements**

*This news release contains "forward-looking information" including without limitation statements relating to key milestones for 2014 to 2016, concentrate anticipated to be produced at the Dumont project and nickel price.*

*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. There is no agreement with Tsingshan and therefore no assurance that RNC will receive any benefit from Tsingshan's innovation. 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 achieve the milestones or 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](http://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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