



**ROYAL NICKEL CORP**

## **NEWS RELEASE**

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

**Toronto, Ontario, November 6, 2014** – Royal Nickel Corporation (“RNC”) (TSX: RNX) announces its review of activities and financial results for the quarter ended September 30, 2014. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2014, unless otherwise noted.

Scott Hand, Executive Chairman, commented, “Despite difficult general market conditions, the Board continues to be pleased with progress made in recent discussions regarding partnership and financing for the Dumont project. Important milestones in the third quarter included a positive report from the BAPE in September with respect to the permitting process for the Dumont project and the closing of an RNC financing in July, as well as financings for the West Raglan and Aer-Kidd projects subsequent to the end of the quarter. It is important to note financing for near term activities was completed despite difficult general market conditions experienced over the last several months.”

Mark Selby, President and CEO, commented, “In my view, a near-term rebound in nickel markets will be driven by reductions in global nickel supply, as supply from the Chinese NPI industry further contracts through 2015 and Indonesian ore stockpiles continue to be depleted. Nickel demand continues to grow strongly and with limited green field capacity coming online over the remainder of the decade, Dumont will be needed to help meet the expected structural deficit in the nickel market. We are closely monitoring market conditions and will continue to manage our cash prudently in light of these conditions.”

#### **Third Quarter and Recent Highlights**

- Work under a contract awarded to Ausenco to prepare engineering specifications and bid packages for procurement of long lead equipment was completed during the quarter. The total cost of the equipment was largely in line with the feasibility study estimate. Final costs will be determined based on the equipment selected when long lead orders are placed. The long lead items represent most of the large equipment utilized in the mill and several key on-site infrastructure components such as the grinding mills, flotation cells, thickeners, filters and power transformers representing approximately 70% of the cost of equipment for the mill.
- On July 11, 2014, RNC announced that it had closed its previously announced public offering of units (“Units”). Pursuant to the offering, RNC issued 8,340,000 Units at a price of \$0.60 per Unit for aggregate gross proceeds of \$5 million. Each Unit is comprised of one common share of RNC and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.80 and entitles the holder thereof to acquire one common share of RNC on or before July 11, 2016.
- On July 17, 2014, RNC announced that the underwriters of its public offering of 8,340,000 Units that closed on July 11, 2014, had exercised their over-allotment option and had purchased an additional 1,251,000 Units at a purchase price of \$0.60 per Unit. The gross proceeds to RNC resulting from the exercise of the over-allotment option were \$0.75 million, for total gross proceeds from the public offering of \$5.75 million.

- On July 29, 2014, RNC announced that the NI 43-101 compliant technical report for the West Raglan Project had been filed under RNC's profile on SEDAR at [www.sedar.com](http://www.sedar.com).
- On August 26, 2014, RNC announced that Sudbury Platinum Corporation ("SPC"), a private company in which RNC has an interest, had completed the purchase of a 100% interest in the mineral rights of the Aer-Kidd Project ("Aer-Kidd") from CaNickel Mining Company Limited ("CaNickel"). The terms of the transaction were comprised of a cash settlement of \$1.25 million to CaNickel and termination of the underlying option agreement dated October 1, 2012. RNC owns approximately 19% of SPC.
- On September 25, 2014, RNC announced the publication of a report from the Bureau d'audiences publiques sur l'environnement ("BAPE") that concludes that the development of the Dumont Nickel Project is acceptable, provided adequate mitigation measures are implemented.
- On October 14, 2014, RNC announced that True North Nickel Inc., 100% owner of the West Raglan Nickel Project ("West Raglan"), and SPC, 100% owner of Aer-Kidd – had successfully raised \$0.8 million and \$2.0 million, respectively.
- RNC incurred a net loss of \$1.6 million (\$0.01 per share) for the three months ended September 30, 2014, compared to a net loss of \$1.4 million (\$0.02 per share) for the same period in 2013.

### **Targeted Future Milestones**

RNC 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 fourth quarter of 2014;
- Estimated construction schedule of 24 months post successful permitting, securing financing and completion of detailed engineering;
- Project commissioning is expected to begin ten to eleven quarters after permits and financing are in place. Assuming permits and financing are in place by the end of the first quarter of 2015, commissioning is targeted to begin by mid-2017, followed by production ramp-up in the second half of 2017.

### **Financial Results**

For the three months ended September 30, 2014, RNC incurred a net loss of \$1.6 million (\$0.01 per share), compared to a net loss of \$1.4 million (\$0.02 per share) in the same period in 2013. The net loss increase of \$0.2 million is due primarily to a higher deferred income tax expense of \$0.2 million and an unrealized loss on derivative financial instruments of \$0.1 million, partially offset by lower general and administrative expenses of \$0.1 million.

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

	<b>September 30, 2014</b>	<b>December 31, 2013</b>
Cash position <sup>1</sup>	6.1	11.9
Working capital <sup>2</sup>	4.2	13.5
Tax credits receivable <sup>3</sup>	0.6	3.5
Total assets	83.3	74.8
Equity attributable to RNC shareholders	65.9	62.6

1 Includes cash and cash equivalents.

2 Working capital is a measure of current assets less current liabilities

3 Current portion of tax credits receivable is \$0.5 million (2013: \$3.5 million) and non-current portion is \$0.1 million (2013: \$0.2 million)

RNC's ability to operate as a going concern is dependent on its ability to raise financing. While management has been successful in securing financing in the past, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to RNC.

### **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 also owns interests in two advanced stage nickel exploration properties: the Aer-Kidd project near Sudbury, Ontario and the West Raglan project in northern 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 Statements Concerning Forward-Looking Statements**

*This news release contains "forward-looking information" including without limitation statements relating to the liquidity and capital resources of RNC, the outlook for the nickel market, key milestones for 2014 to 2017, including timing of receipt of the main permit and the potential of the Aer-Kidd and West Raglan projects.*

*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 are no assurances that Dumont, or any of RNC's other property interests, will be placed into production. Factors that could affect the outcome include, among others: the inability to raise the funds necessary to achieve the milestones or complete development of Dumont and inability to raise the funds necessary to advance exploration activities; the actual results of development activities at Dumont and exploration activities at Aer-Kidd and West Raglan; project delays; 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.*

---

**For more information, please contact:**

Rob Buchanan  
Director, Investor Relations  
T: (416) 363-0649  
[www.royalnickel.com](http://www.royalnickel.com)

Mélanie Corriveau (French contact)  
Community Relations Coordinator  
T: (819) 727-3777