



ROYAL NICKEL CORP

NEWS RELEASE

ROYAL NICKEL CORPORATION ADOPTS SHAREHOLDER RIGHTS PLAN

Toronto, Ontario, May 4, 2011 – Royal Nickel Corporation Inc. (TSX:RNX)(the “Corporation” or “RNC”) today announced that its board of directors has approved the adoption of a shareholder rights plan (the “Rights Plan”) designed to encourage the fair and equal treatment of shareholders in connection with any takeover bid for the outstanding securities of the Corporation.

The Rights Plan is intended to provide the Corporation’s board with adequate time to assess a takeover bid, to consider alternatives to a takeover bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide the Corporation’s shareholders with adequate time to properly assess a takeover bid without undue pressure. The Corporation’s board is not currently aware of any pending or threatened takeover bid for the Corporation. The Rights Plan is similar to those adopted by other Canadian companies.

The Rights issued under the Rights Plan become exercisable only if a person acquires or announces an intention to acquire 20% or more of the common shares of the Corporation without complying with the “permitted bid” provisions of the Rights Plan or without the approval of the Corporation’s board.

Should such an acquisition occur, Rights holders (other than the acquiring person or related persons) can purchase common shares of the Corporation at a substantial discount to the prevailing market price (as defined in the Rights Plan) at the time the Rights become exercisable.

“Permitted bids” under the Rights Plan must be made to all holders of the Corporation’s common shares and must be open for acceptance for a minimum of 60 days. If at the end of 60 days, at least 50% of the outstanding common shares other than those owned by the offeror and certain related parties have been tendered and not withdrawn, the bidder may take up and pay for the shares but must extend the bid for a further 10 days to allow other shareholders to tender to the bid.

The Rights Plan will require ratification by the Corporation’s shareholders within six months. If not ratified within six months from today, the Rights Plan and all of the Rights outstanding at the time will terminate.

The Rights Plan is also subject to acceptance by the TSX. A copy of the Rights Plan will be filed on SEDAR at www.sedar.com following acceptance by the TSX, and can also be obtained from the Corporation upon written request.

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the exploration, development, evaluation 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. A NI 43-101 compliant Preliminary Assessment of the Dumont Nickel Project completed in September 2010 estimated after-tax NPV_{8%} to be US\$1.1 billion based on a planned 100,000 tonnes per day operation and production of over 64,000 tonnes of nickel per year on average over the life of the operation. The Corporation 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.

Cautionary Statements Concerning Forward-Looking Statements

This news release contains "forward-looking information" which include planned production and NPV. Often, but not always, forward-looking statements 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 statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Preliminary Assessment, and the estimates contained therein, are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Factors that could affect the outcome include, among others: the actual results of current exploration and development activities; project delays; funding needs; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutions; 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 including the Corporation's Preliminary Assessment dated as of September 30, 2010. Such forward-looking statements are based on a number of material factors and assumptions identified in the applicable document including, in the case of the estimate of NPV contained in the Preliminary Assessment, an assumed long term nickel price of US\$7.50/lb and an exchange rate of Cdn\$1.00 = US\$0.90.

Although the Corporation 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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