



ROYAL NICKEL CORP

## NEWS RELEASE

### Royal Nickel Announces Third Quarter 2011 Results

**Toronto, Ontario, November 9, 2011** – Royal Nickel Corporation (TSX: RNX) (“RNC” or the “Corporation”) is pleased to report its review of activities and financial results for the quarter ended September 30, 2011. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on our unaudited interim financial statements for the three months and nine months ended September 30, 2011, unless otherwise noted.

#### THIRD QUARTER AND RECENT HIGHLIGHTS

- On November 1, 2011 the Corporation announced the pre-feasibility study (“PFS”) results and announced that a National Instrument 43-101 compliant technical report will be filed within 45 days. Highlights of the Dumont PFS are as follows:
  - US\$1.1 billion after-tax NPV<sub>8%</sub>, 17% after-tax internal rate of return (“IRR”)<sup>1</sup>
  - C1 cash costs<sup>2</sup> of US\$4.13 per pound, second quartile unit cash costs
  - Staged development approach: lower cost and lower risk — more than 50% reduction in initial capital outlay from the 100 ktpd scenario outlined in the preliminary economic assessment
  - Initial capital expenditure of US\$1.1 billion for 50 ktpd operation
  - Expansion to 100 ktpd by year 5 requires \$0.7 billion of additional capital
  - 1.1 billion tonnes of reserves at 0.27% nickel, life-of-mine strip ratio of 1.2:1, 31-year project life
  - Average annual contained nickel production of 96 million pounds (44 kt) during the 19-year mine life and 59 million pounds (27 kt) for the subsequent 12 years from processing of the lower grade stockpile
  - Single high grade concentrate containing an average of 33% nickel over life of project
- Retained GENIVAR Inc., a leading international engineering consulting firm to complete both the *Avis de Projet* (Project Notice), which initiates the environmental permitting process, and the Environmental and Social Impact Assessment (ESIA).
- Discussions were held with potential project finance advisory firms. A project finance advisor is expected to be appointed before the end of 2011. RNC intends to finance the construction of the Dumont Project through a combination of a partner acquiring 30–40% interest at the project level and debt finance of approximately 50% of the project’s initial capital.
- Incurred a net loss of \$1.2 million compared to a net loss of \$1.8 million in the same three month period in 2010.
- Completed the initial report from the community consultation process initiated by the Corporation.

<sup>1</sup> Based on US\$9.00 per pound long term nickel price and CDN\$1.00 = US\$0.90 exchange rate. NPV and IRR calculated from start of construction, January 2014 and based on October 2011 real costs.

<sup>2</sup> C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits.

For the three months ended September 30, 2011, the Corporation incurred a loss of \$1.2 million (\$0.01 per share) compared to \$1.8 million (\$0.03 per share) in the same period last year. The lower loss is primarily due to the absence of a non-cash liquidity entitlement charge of \$0.4 million and the net impact of a deferred tax recovery of \$0.3 million. For the nine months ended September 30, 2011, the Corporation incurred a loss of \$6.0 million (\$0.07 per share) compared to \$10.2 million (\$0.17 per share) in the same period last year. The lower loss is primarily due to a reduction of \$6.5 million in the non-cash share based payments charge and the absence of a non-cash liquidity entitlement charge of \$1.1 million offset partially by an increased deferred income tax expense of \$1.0 million and higher general and administrative expenses of \$2.7 million.

Tyler Mitchelson, President and CEO, commented, "With the release of the favourable results of the pre-feasibility study, we will now continue to advance the Dumont project by launching the environmental permitting process, filing the application to secure low industrial electricity rates and appointing a project finance advisor."

### **Key Milestones Balance of 2011**

- Launch of the environmental permitting process
- Initiation of feasibility support work
- Filing of application to secure low industrial electricity rates
- Appointment of a Project Finance Advisor

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

	<b>September 30, 2011</b>	<b>December 31, 2010<sup>1</sup></b>
Cash position <sup>2</sup>	26.9	47.5
Working capital <sup>3</sup>	26.1	44.5
Total assets	89.1	86.6
Shareholder's equity	78.4	76.8

1 Revised under IFRS

2 Includes Cash and Cash equivalents.

3 Working capital is a measure of current assets less current liabilities.

### **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. RNC 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 Statement Concerning Forward-Looking Statements**

*This news release contains "forward-looking information" including without limitation statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating cost estimates, the timing and amount of future production, costs of production, success of mining operations, permitting, economic return estimates and potential upside. 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 pre-feasibility study results are estimates only, are preliminary in nature and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Until a positive feasibility study has been completed, and even with the completion of a positive feasibility study, 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 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 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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