

**EXHIBIT 1 TO Appendix D**

**BY-LAW NO. 2**

A by-law relating generally to the  
transaction of the business and affairs of

**ROYAL NICKEL CORPORATION**

(the "**Corporation**")

**TABLE OF CONTENTS**

	<b>Page</b>
ARTICLE 1 DEFINITIONS .....	4
1.1 Definitions .....	4
ARTICLE 2 BOARD.....	4
2.1 Fixed Board and Election of Directors .....	4
2.2 Floating Board and Election of Directors .....	4
ARTICLE 3 MEETINGS OF DIRECTORS .....	4
3.1 First Meeting of New Board .....	4
3.2 Number of Directors .....	4
3.3 Place and Notice of Meetings .....	4
3.4 Meeting by Electronic Means, etc. ....	5
3.5 Quorum .....	5
3.6 Chair of a Meeting .....	5
3.7 Votes to Govern .....	5
ARTICLE 4 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS.....	5
4.1 Indemnity .....	5
ARTICLE 5 MEETINGS OF SHAREHOLDERS .....	6
5.1 Place of Meetings.....	6
5.2 Notice of Meetings.....	6
5.3 Chair of a Meeting, Secretary and Scrutineers .....	7
5.4 Persons Entitled to be Present.....	7
5.5 Quorum .....	7
5.6 Proxies .....	8
5.7 Votes to Govern.....	8
5.8 Right to Vote.....	8
5.9 Manner of Voting.....	8
5.10 Advance Notice of Director Nominations .....	9
ARTICLE 6 MISCELLANEOUS .....	10
6.1 Execution of Instruments .....	10
6.2 Notice to Joint Shareholders .....	10
6.3 Omissions and Errors.....	10
6.4 Repeal .....	10

## **ARTICLE 1 DEFINITIONS**

### **1.1 Definitions**

In this By-law, any capitalized term used, but not otherwise defined, has the meaning given to that term in the Act. In addition, the following terms have the following meanings:

- 1.1.1 “**Act**” means the *Canada Business Corporations Act* and all regulations made under that Act, as it may be amended or replaced, and any reference to a particular provision of that Act will be deemed also to be a reference to any similar provision resulting from its amendment or replacement;
- 1.1.2 “**Board**” means the board of directors of the Corporation;
- 1.1.3 “**By-law**” means this by-law, as amended or restated; and
- 1.1.4 “**Corporation**” means Royal Nickel Corporation.

## **ARTICLE 2 BOARD**

### **2.1 Fixed Board and Election of Directors**

Where the Articles provide for a fixed number of directors, the number to be elected to the Board will be the number set out in the Articles.

### **2.2 Floating Board and Election of Directors**

Where the Articles provide for a minimum and maximum number of directors, the number to be elected to the Board will be the number within that minimum and maximum elected at the annual meeting of shareholders.

## **ARTICLE 3 MEETINGS OF DIRECTORS**

### **3.1 First Meeting of New Board**

Immediately following an annual or special meeting of shareholders electing directors, the Board may, without notice, hold its first meeting for any business that may come before the meeting, provided a quorum of the Board is present.

### **3.2 Number of Directors**

Provided any of the issued securities of the Corporation remain outstanding and are held by more than one person, the Corporation will have not fewer than three directors, at least two of whom are not officers or employees of the Corporation or its affiliates.

### **3.3 Place and Notice of Meetings**

Unless the Articles otherwise provide, meetings of the Board may be held at the registered office of the Corporation or at any other place within or outside Canada as determined by the Board. Subject to the

Act, the By-laws and any resolution of the Board, notice of the time and place of a meeting of the Board will be given by any director or officer to each director not less than 48 hours before the time when the meeting is to be held but if any one of the Chairperson of the Board, the President or the Chief Executive Officer considers it a matter of urgency that a meeting of the Board be convened, he or she may give notice of a meeting by means of any telephonic, electronic or other communication facility no less than one hour before the meeting. No notice of a meeting will be necessary if all the directors in office are present or if those absent waive notice of that meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Subject to the Act, a notice of a meeting of the Board need not specify the purpose of or the business to be transacted at the meeting.

#### **3.4 Meeting by Electronic Means, etc.**

If all the directors of the Corporation consent, a meeting of the Board or of a committee of the Board may be held by means of any telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in a meeting by those means is deemed to be present at that meeting.

#### **3.5 Quorum**

Unless otherwise required by-law or provided in the Articles, a majority of the Board constitutes a quorum at any meeting of the Board.

#### **3.6 Chair of a Meeting**

The chair of any meeting of the Board will be selected in descending order from the following list of officers, with the position going to the first selected officer who has been appointed, who is a director, and who is present at the meeting:

3.6.1 the Chairperson of the Board; and

3.6.2 the President.

If all those officers are absent, or unable or unwilling to act, the directors present at the meeting will choose one of their number to be chair of the meeting.

#### **3.7 Votes to Govern**

Unless otherwise required by the Act or the Articles, at all meetings of the Board, every question will be decided by a majority of the votes cast on the question. In case of an equality of votes on any question, the chair of the meeting will not be entitled to a second or casting vote.

### **ARTICLE 4 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

#### **4.1 Indemnity**

4.1.1 Subject to the Act, the Corporation will indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, and his or her heirs and Personal Representatives, against all costs, charges and

expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of his or her association with the Corporation or other entity if:

- 4.1.1.1 he or she acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the Corporation's request; and
  - 4.1.1.2 in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.
- 4.1.2 The right to indemnity provided in this Section 4.1 will include the right to the advance of moneys from the Corporation for the costs, charges and expenses of a proceeding referred to in Section 4.1.1, which moneys must be repaid if the individual to whom they were advanced has not fulfilled the conditions set out in Section 4.1.1. The Corporation will also indemnify the persons listed in Section 4.1.1 in any other circumstances that the Act permits or requires. Nothing in this By-law will limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.
- 4.1.3 The Corporation is authorized to execute agreements evidencing its indemnity in favour of the persons described in this Section 4.1 to the fullest extent permitted by-law.

## **ARTICLE 5 MEETINGS OF SHAREHOLDERS**

### **5.1 Place of Meetings**

Subject to the Act and the Articles, meetings of shareholders will be held within Canada, on the dates and at the times as determined by the Board, and at the place where the registered office of the Corporation is located or at any other place as determined by the Board. A meeting of shareholders may also be held outside Canada if the Articles specify or if all the shareholders entitled to vote at the meeting agree.

### **5.2 Notice of Meetings**

Notice of the time and place of each meeting of shareholders will be given, not less than 21 days and not more than 60 days before the date of the meeting, to each director, to the auditor of the Corporation, and to each shareholder who is entitled to vote at the meeting. Notice of a meeting of shareholders called for any business other than consideration of the financial statements and auditor's report, election of directors, and reappointment of the incumbent auditor, will state the nature of that business in sufficient detail to permit a shareholder to form a reasoned judgment concerning that business, and will state the text of any Special Resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may, in any manner and at any, time waive notice of a meeting of shareholders.

### **5.3 Chair of a Meeting, Secretary and Scrutineers**

The chair of any meeting of shareholders will be selected in descending order from the following list of officers, with the position going to the first selected officer who has been appointed, who is a director, and who is present at the meeting:

5.3.1 the Chairperson of the Board; and

5.3.2 the President.

If none of those officers is present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote at the meeting will choose a director as chair of the meeting and if no director is present or if all the directors decline to take the chair then the persons present and entitled to vote will choose a person from their number to be chair of the meeting. The Secretary of the Corporation will be secretary of any meeting of shareholders, but if the Secretary of the Corporation is not present, the chair of the meeting will appoint a person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by the chair of the meeting.

### **5.4 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders will be those entitled to vote at that meeting, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

### **5.5 Quorum**

Two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, will be a quorum at any meeting of Shareholders for the purposes of choosing a chair of the meeting; for all other purposes, a quorum at any meeting of shareholders will be not less than two persons present in person, each being a holder of shares entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, who hold or represent by proxy not less than 10% of the shares issued and outstanding as of the record date for the meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting, even if a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within any reasonable time following that time as the shareholders present or represented may determine, the chair of the meeting may adjourn the meeting to a fixed time and place not less than seven days later but may not transact any other business. At that adjourned meeting, two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting will constitute a quorum (whether or not they hold shares representing, in the aggregate, 10% of the shares entitled to vote at the adjourned meeting) and may transact the business for which the meeting was originally called, even if this quorum is not present throughout the meeting.

## **5.6 Proxies**

- 5.6.1 The management of the Corporation will, concurrently with giving notice of a meeting of shareholders, send a form of proxy in prescribed form to each shareholder who is entitled to receive notice of the meeting.
- 5.6.2 A management proxy circular in prescribed form, either as an appendix to or as a separate document accompanying the notice of the meeting of shareholders, must be sent to the auditor of the Corporation, to each shareholder whose proxy is solicited under Section 5.6.1, and to each director of the Corporation.
- 5.6.3 A copy of the management proxy circular referred to in Section 5.6.2 must be sent concurrently to the Director under the Act, together with a statement in prescribed form, the form of proxy, any other documents for use in connection with the meeting, and a copy of the notice of meeting.
- 5.6.4 Subject to the Act, the Board may fix a deadline by which proxies to be used at a meeting of shareholders or any adjournment of it must be deposited with the Corporation or an agent of the Corporation. No proxy delivered after that deadline will be acted upon, unless that deadline is waived by the chair of the meeting at his or her discretion.

## **5.7 Votes to Govern**

Unless otherwise required by the Act or the Articles, at all meetings of shareholders, every question will be decided by a majority of the votes cast on the question. In case of an equality of votes on any question, the chair of the meeting will not be entitled to a second or casting vote.

## **5.8 Right to Vote**

Unless the Articles otherwise provide, each share of the Corporation entitles its holder to one vote at a meeting of shareholders. Subject to the exceptions provided under the Act, a holder of a fractional share is not entitled to exercise voting rights in respect of the fractional share.

## **5.9 Manner of Voting**

- 5.9.1 Voting at a meeting of shareholders will be by show of hands, except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting. Even if a vote has already been taken by a show of hands, any shareholder or proxyholder entitled to vote at the meeting on that matter may require a ballot on that matter and the subsequent ballot result will be the decision of the shareholders with respect to that matter.
- 5.9.2 Where no ballot is demanded or required following a vote by a show of hands upon a question, a declaration by the chair of the meeting that the vote upon the question has been carried, carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, will be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of that question, and the result of the vote taken will be the decision of the shareholders with respect to that question.
- 5.9.3 A ballot, if demanded or required, will be taken in the manner the chair of the meeting directs. A demand or requirement for a ballot may be withdrawn at any time before the taking of the

ballot. If a ballot is taken, each person present will be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot will be the decision of the shareholders with respect to that question.

- 5.9.4 If a telephonic or electronic meeting of shareholders is held, then any person participating in, and entitled to vote at, that meeting may vote, in accordance with the Act, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose. Any vote at a meeting of shareholders may be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available that communication facility.

## **5.10 Advance Notice of Director Nominations**

- 5.10.1 Subject to Section 5.10.2, nominations of persons for election as directors at a meeting of shareholders may be made only:

5.10.1.1 by or at the direction of the Board;

5.10.1.2 pursuant to a requisition of a meeting of shareholders or a proposal, in each case made in accordance with the Act; and

5.10.1.3 by a Nominating Shareholder who delivers a Nomination Notice to the Corporation within the Nomination Window by personal delivery to the Corporation's registered office addressed to the Chief Executive Officer or by fax or email (at such fax number or email address as stipulated from time to time by the Corporation under its profile on SEDAR at [www.sedar.com](http://www.sedar.com)).

- 5.10.2 The Board may, prior to the meeting of shareholders, in its sole discretion, waive any requirement in this Section 5.10. Unless waived by the Board, in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new Nomination Window.

- 5.10.3 For the purposes of Section 5.10, the following terms have the following meanings:

5.10.3.1 "**Local Time**" means the local time at the Corporation's registered office.

5.10.3.2 "**Meeting Announcement Date**" in respect of a meeting of shareholders means, the date of the first public filing or announcement of the date of that meeting.

5.10.3.3 "**Nomination Notice**" means a written notice that sets forth (i) all information that would be required to be disclosed in a dissident proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws relating to a Nominating Shareholder (as if that Nominating Shareholder were a dissident soliciting proxies) and each person whom that Nominating Shareholder proposes to nominate for election as a director; (ii) the class and number of shares of the Corporation held, directly or indirectly, by or on behalf of that Nominating Shareholder; (iii) confirmation that the proposed nominees meet the qualifications of directors and residency requirements set out in the Act; and (iv) confirmation as to whether each proposed nominee is independent for the purposes of National Instrument 52-110.



- 5.10.3.4 **“Nominating Shareholder”** in respect of a meeting of shareholders means, a person who is a registered or beneficial holder of one or more shares of the Corporation carrying the right to vote on the election of directors at that meeting as of (i) the record date for that meeting and (ii) the date on which the Nomination Notice is delivered to the Corporation.
- 5.10.3.5 **“Nomination Window”** in respect of a meeting of shareholders means, the period of time:
- i) in the case of an annual meeting, if that meeting is called for a date that is fewer than 50 days following the Meeting Announcement Date, starting at 9:00 a.m. (Local Time) on the Meeting Announcement Date and ending at 5:00 p.m. (Local Time) on the 10th day following the Meeting Announcement Date, and otherwise starting at 9:00 a.m. (Local Time) on the date that is 65 days prior to the date of that meeting and ending at 5:00 p.m. (Local Time) on the date that is 30 days prior to the date of that meeting; or
  - ii) in the case of a special meeting (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), starting at 9:00 a.m. (Local Time) on the Meeting Announcement Date and ending at 5:00 p.m. (Local Time) on the 15th day following the Meeting Announcement Date.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Execution of Instruments**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one director or officer. The board may, from time to time, direct by resolution the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

### **6.2 Notice to Joint Shareholders**

If two or more persons are registered as joint holders of any share, any notice will be addressed to all of those joint holders, but notice to one of the joint shareholders will be sufficient notice to all of them.

### **6.3 Omissions and Errors**

The accidental omission to give any notice to, or the non-receipt of any notice by, any shareholder, director, officer, auditor or member of a committee of the Board, or any error in any notice not affecting the substance of the notice, will not invalidate any action taken at any meeting held under or otherwise founded on that notice.

### **6.4 Repeal**

By-law No. 1 of the Corporation is repealed. The repeal of By-law No. 1 will not affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under it or the validity of any contract or agreement made under it. All resolutions of the shareholders, the Board or committees of the

Board with continuing effect passed under repealed By-law No. 1 will continue in effect except to the extent inconsistent with this By-law.

**ENACTED** by the directors of the Corporation under the Act.

**DATED** March 26, 2013.

*(signed) Tyler Mitchelson*  
Tyler Mitchelson — Chief Executive Officer