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Royal Nickel Completes Initial Public Offering with \$45 Million Capital Raise and Commences Trading on the Toronto Stock Exchange

Initial Public Offering Over-Subscribed

Toronto, Ontario, December 16, 2010 – Royal Nickel Corporation (TSX:RNX) (“Royal Nickel” or the “Company”) is pleased to announce it has completed its initial public offering (the “Offering”) of 14,500,000 units (the “Units”) at a price of \$2.25 per Unit, each Unit consisting of one common share and one-half of one common share purchase warrant, and 5,000,000 flow-through units (the “Flow Through Units”) at a price of \$2.50 per Flow-Through Unit, each Flow Through Unit consisting of one common share issued on a flow-through basis and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$3.00 until December 15, 2012. The Offering was made through a syndicate of underwriters co-led by RBC Capital Markets and UBS Securities Canada, and including Scotia Capital, Desjardins Securities, Haywood Securities and Raymond James (collectively, the “Underwriters”) with gross proceeds of \$45 million. Royal Nickel will be listed effective today and begin trading of its shares on the Toronto Stock Exchange this morning.

“Royal Nickel is looking forward to building shareholder value as we pursue our growth strategy as a publicly-traded company,” said Tyler Mitchelson, CEO of Royal Nickel. “We believe we have brought together the necessary elements for success: a strong management team, an excellent asset, and a strong focus on growth.”

“Great mining companies are founded on a great deposit and a strong management team,” said Scott Hand, Chairman of Royal Nickel. “We have a great base metal project in Dumont – which has the potential to be one of the largest nickel sulphide operations in the world once in production. We also have an experienced management team with the skills and experience to not only build Dumont but also to grow Royal Nickel into a multi-asset mining company through strategic acquisitions.”

Royal Nickel’s principal asset is the 100% owned Dumont nickel project strategically located in the established Abitibi mining camp, 25km northwest of Amos, Quebec. The Company has strong and established relationships with local communities and will consult with local stakeholders as the project advances.

Based on encouraging results from its published technical report (a copy of which can be found on www.sedar.com or the Company’s website www.royalnickel.com), Royal Nickel believes that the Dumont Nickel Project has the potential to rank as the fourth largest nickel sulphide operation in the world. The project contains approximately 7 billion pounds of contained nickel in 156 million tonnes of measured resources at 0.29% nickel and 1,003 million tonnes of indicated resources at 0.27% nickel and approximately 3 billion pounds of contained nickel in 581 million tonnes of inferred resources at 0.25% nickel. The deposit remains open at depth and the Company believes that it has potential to be

expanded further. Royal Nickel's published technical report indicates the potential for developing an operation that could produce 65,000 tonnes of nickel annually for at least 25 years.

Royal Nickel intends to use the net proceeds from the Offering to fund its work plan for its 2011 and 2012 program of exploration and drilling, metallurgical testing, preparation of a preliminary feasibility study, commencement of a feasibility study and for general and administrative costs.

Preparation of this press release has been supervised by Alger St. Jean, P. Geo., Vice-President, Exploration of Royal Nickel and a "Qualified Person" as defined in NI 43-101. For more information on the Dumont Nickel Project, please refer to Royal Nickel's NI 43-101 compliant technical report "Preliminary Assessment of the Dumont Property Launay and Trecesson Township, Quebec, Canada" dated as of September 30, 2010 and available on Royal Nickel's website and on SEDAR at www.sedar.com.

This news release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the ordinary shares in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the securities may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from the registration requirements is available.

Cautionary Statements Concerning Forward-Looking Statements

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the future price of metals, the estimation of mineral reserves and mineral resources, the conversion of mineral resource estimates to mineral reserve estimates, the realization of mineral reserve and mineral resources estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcomes of pending litigation and/or regulatory matters. 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. Accordingly, 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 Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the

forward-looking statements. Such factors 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; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; 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, as well as those factors discussed in the section entitled "Risk Factors" in the prospectus of the Company. Such forward-looking statements are based on a number of material factors and assumptions identified in the prospectus of the Company.

Although the Company 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 prospectus and the Company 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

For more information please contact:

Tyler Mitchelson
President and CEO, Royal Nickel
(416) 363-0649