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Royal Nickel Announces Full Exercise of Over-Allotment Option for its Initial Public Offering

Toronto, Ontario, January 13, 2011 – Royal Nickel Corporation (TSX:RXN) (“Royal Nickel” or the “Company”) is pleased to announce today that it has completed the sale of 2,925,000 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, pursuant to the exercise of an over-allotment option (the “Over-Allotment Option”) by an underwriting syndicate co-led by RBC Capital Markets and UBS Securities Canada, and including Scotia Capital, Desjardins Securities, Haywood Securities and Raymond James. The Over-Allotment Option was granted by the Company in connection with the Company’s initial public offering, which was completed on December 16, 2010 (the “Offering”). The aggregate gross proceeds received by the Company from the Offering and the full exercise of the Over-Allotment Option are approximately \$51.7 million.

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. Royal Nickel intends to use the net proceeds from the Offering and the exercise of the Over-Allotment Option 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.

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 and the costs and timing of future exploration. 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 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 dated December 9, 2010. Such forward-looking statements are based on a number of material factors and assumptions identified in such prospectus.

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 press release 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.

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