



ROYAL NICKEL CORP

NEWS RELEASE

Royal Nickel Announces Year End 2013 Results and Reviews Significant Progress on Project Development Milestones

Toronto, Ontario, February 27, 2014 – Royal Nickel Corporation (TSX: RNX) (“RNC”) is pleased to report its review of activities and financial results for the year ended December 31, 2013. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the audited financial statements for the year ended December 31, 2013, unless otherwise noted.

Mark Selby, Interim President and CEO, commented, “I look forward to building on the substantial progress achieved last year by RNC, which included the completion of the Dumont feasibility study. I believe 2014 will be an exciting year for RNC as we work towards achieving important milestones in the permitting and financing of the Dumont project. With the recent positive developments in the global nickel market, I believe that conditions are right to support the rapid advancement of the Dumont project.”

2013 AND RECENT HIGHLIGHTS

- On January 18, 2013, RNC announced the official opening of its new community liaison office located in the municipality of Launay in the Abitibi region of Quebec.
- On March 7, 2013, RNC announced that it had closed a private placement of 4 million flow-through shares at a price of \$0.50 per share for gross proceeds of \$2 million.
- On March 12, 2013, RNC announced that it had signed a memorandum of understanding (“**MOU**”) with Tsingshan Holding Group Co., Ltd. The MOU set out the objectives of the parties to work together in relation to downstream concentrate processing and the potential to enter into an offtake and/or partnership arrangement. Tsingshan is the second largest Chinese stainless steel company and one of the leading innovators in the development of vertically integrated nickel pig iron and stainless steel production operations. Although the MOU ended on December 31, 2013, RNC remains in constructive discussions with Tsingshan.
- On April 5, 2013, RNC announced the signing of a MOU with the Abitibiwinni First Nation with respect to the Dumont Nickel Project.
- On May 13, 2013, RNC announced that it had completed a royalty financing with RK Mine Finance (“**Red Kite**”). Under the terms of the financing, Red Kite acquired a 1% net smelter return royalty in the Dumont Nickel Project for a purchase price of US\$15 million.
- On June 17, 2013, RNC announced the positive results of the feasibility study for its Dumont Nickel Project, demonstrating a technically and economically sound project with an after-tax US\$1.1 billion NPV_{8%}.
- On July 25, 2013, RNC announced that the Dumont Nickel Project NI 43-101 compliant technical report had been filed on SEDAR.

- On September 26, 2013, RNC announced that it had entered into an agreement with Hydro-Québec for the construction of a high voltage power transmission line to connect RNC's planned Dumont Nickel project to Hydro-Québec's existing electricity distribution network. The connection of the Dumont site to the existing network will require the installation of approximately 10 km of 120 kV power lines.
- On November 14, 2013, RNC announced it that it had received the 2013 e3 Plus Award, an annual award given by the Quebec Mineral Exploration Association (AEMQ). The e3 Plus Award recognizes a company for its high level of environmental and social responsibility and its compliance with the leading practices outlined in e3 Plus: A Framework for Responsible Exploration. e3 Plus was developed by the Prospectors and Developers Association of Canada (PDAC) to support exploration companies in the continuous improvement of their social, environmental, and health and safety performance.
- On February 11, 2014, RNC announced that Tyler Mitchelson was resigning as President and CEO of RNC in order to take a position with Anglo American Corporation while remaining as a Director of RNC. Effective immediately, Mark Selby, SVP Business Development at RNC since 2010, was appointed interim President and CEO.

Targeted Future Milestones

Royal Nickel has the following targeted key milestones to achieve the development of the Dumont Nickel Project:

- Completion of partnership and financing arrangements;
- Receipt of main permit during the second half of 2014;
- Estimated construction schedule of 22 months post successful permitting and securing financing;
- Assuming permits and financing in place by the end of 2014, project commissioning is targeted to begin in the second half of 2016 followed by production ramp-up.

Financial Results

For the three months ended December 31, 2013, RNC incurred a net loss of \$1.6 million (\$0.02 per share), which is in line with the net loss of \$1.6 million (\$0.02 per share) in the same period in 2012. For the year ended December 31, 2013, RNC incurred a net loss of \$6.7 million (\$0.07 per share) compared to a net loss of \$9.2 million (\$0.10 per share) in the same period in 2012. The lower net loss is primarily due to lower consulting fees of \$1.2 million due to lower project finance advisory costs and a decrease in deferred income tax expense of \$0.4 million and lower investor relations expenditures of \$0.3 million.

Highlights of RNC's financial position are as follows (in millions of dollars):

| | December 31, 2013 | December 31, 2012 |
|-------------------------------------|--------------------------|--------------------------|
| Cash position ¹ | 11.9 | 10.8 |
| Working capital ² | 13.5 | 15.4 |
| Tax credits receivable ³ | 3.5 | 9.7 |
| Total assets | 74.8 | 79.0 |
| Shareholder's equity | 62.6 | 68.0 |

1 Includes Cash and Cash equivalents.

2 Working capital is a measure of current assets less current liabilities

3 Current portion of tax credits receivable is \$3.3 million (2012: \$7.3 million) and non-current portion is \$0.2 million (2012: \$2.4 million)

Cost Containment Initiatives

Following the completion of the feasibility study in 2013, efforts and resources in 2014 are being concentrated on partnership and financing arrangements and the permitting process. As the focus of the work has changed and in order to conserve cash, in January 2014 management implemented a reduction in the workforce with remaining resources focused on partnership and financing arrangements and the permitting process.

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the acquisition, exploration, evaluation and development of base metal and platinum group metal properties. RNC's principal asset is the Dumont Nickel Project strategically located in the established Abitibi mining camp, in the municipalities of Launay and Trécesson, 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. RNC's common shares trade on the TSX under the symbol RNX.

Unless otherwise indicated, RNC has prepared the technical information in this news release ("Technical Information") based on information contained in the feasibility study dated July 25, 2013, relating to RNC's Dumont Nickel Project and news releases (collectively the "Disclosure Documents") available under RNC's company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 of the Canadian Securities Administrators. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to key milestones for 2014 to 2016.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The feasibility study results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Even with the completion of the 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 achieve the milestones or 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.

Although RNC 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 RNC 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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