



ROYAL NICKEL CORP

NEWS RELEASE

Royal Nickel Announces Second Quarter 2014 Results

Toronto, Ontario, August 8, 2014 – Royal Nickel Corporation (“RNC”) (TSX: RNX) is pleased to report its review of activities and financial results for the quarter ended June 30, 2014. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2014, unless otherwise noted.

Mark Selby, President & CEO, commented, “Solid progress was made during the second quarter, including advancing the permitting process and initiating detailed engineering work at our Dumont project. I am also very pleased RNC has gained additional nickel exposure through the acquisition of interests in two very exciting highly prospective nickel-copper-PGE exploration opportunities at the Aer-Kidd property in the Sudbury basin and the West Raglan project in Northern Quebec. The progress at Dumont and the addition of advanced exploration opportunities further enhances RNC’s exposure to our expectation of very strong nickel market conditions over the next several years.”

SECOND QUARTER AND RECENT HIGHLIGHTS

- On April 2, 2014, RNC announced the publication of the Dumont Nickel Project’s Environmental and Social Impact Assessment (ESIA) by the Quebec Ministry of Sustainable Development, Environment, Wildlife and Parks through the agency of the Bureau d’audiences publiques sur l’environnement (BAPE). This is an important step in the permitting process. The BAPE’s public information and consultation processes were completed in May and June and the BAPE’s report is expected in September 2014. RNC continues to expect receipt of the main permit before the end of 2014.
- On April 14, 2014, RNC announced it had gained exposure to the highly prospective Aer-Kidd nickel-copper-platinum group metals project in Sudbury through the acquisition of a 25% interest in Sudbury Platinum Corporation for cash consideration of \$1.5 million.
- On May 29, 2014, RNC announced that it had awarded a contract to Ausenco Limited to begin detailed engineering on long lead equipment for the Dumont Nickel Project.
- On June 18, 2014, RNC announced that it had closed the transaction to acquire an approximate 56% interest in True North Nickel Inc., a private company the main asset of which is a 100% interest in the West Raglan nickel sulphide project in Quebec.
- On July 11, 2014, RNC announced that it had closed its previously announced public offering of units (“Units”). Pursuant to the offering, RNC issued 8,340,000 Units at a price of \$0.60 per Unit for aggregate gross proceeds of \$5.0 million. Each Unit is comprised of one common share of RNC and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.80 and entitles the holder to acquire one common share of RNC on or before July 11, 2016.
- On July 17, 2014, RNC announced that the underwriters of its public offering of 8,340,000 Units that closed on July 11, 2014, had exercised their over-allotment option and have purchased an additional 1,251,000 Units at a purchase price of \$0.60 per Unit. The gross proceeds to RNC resulting from the exercise of the over-allotment option were \$0.75 million, for total gross proceeds from the offering of \$5.75 million.

- On July 29, 2014, RNC announced that the NI 43-101 compliant technical report for the West Raglan Project had been filed under RNC's profile on SEDAR at www.sedar.com.
- RNC incurred a net loss of \$3.0 million (\$0.03 per share) for the three months ended June 30, 2014, compared to a net loss of \$1.9 million (\$0.02 per share) for the same period in 2013.

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 June 30, 2014, RNC incurred a net loss of \$3.0 million (\$0.03 per share), compared to a net loss of \$1.9 million (\$0.02 per share) in the same period in 2013. The increased net loss is due primarily to higher general and administrative expenses of \$1.2 million offset partially by a lower deferred income tax expense of \$0.2 million. The increase in general and administrative expenses is due primarily to a higher non-cash share-based payments expense of \$1.1 million, which includes a higher vesting expense of \$0.8 million and a mark-to-market expense increase for outstanding cash-settled share-based grants under RNC's Share Incentive Plan of \$0.3 million. The higher vesting expense reflects the grant of approximately 4.4 million share purchase options in the quarter, 2.3 million of which vested immediately. The increase in the mark-to-market expense reflects an increase in RNC's share price from \$0.47 as at March 31, 2014, to \$0.63 as at June 30, 2014.

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

	June 30, 2014	December 31, 2013
Cash position ¹	5.5	11.9
Working capital ²	2.6	13.5
Tax credits receivable ³	0.7	3.5
Total assets	80.5	74.8
Equity attributable to RNC shareholders	62.3	62.6

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 \$0.6 million (2013: \$3.3 million) and non-current portion is \$0.1 million (2013: \$0.2 million)

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 also owns interests in two advanced stage nickel exploration properties: the Aer-Kidd project near Sudbury, Ontario and the West Raglan project in northern 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 and warrants trade on the TSX under the symbols RNX and RNX.WT.

Cautionary Statements Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the outlook for the nickel market, key milestones for 2014 to 2016, including timing of receipt of the main permit and the potential of the Aer-Kidd and West Raglan projects.

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. There are no assurances that Dumont, or any of RNC's other property interests, will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities at Dumont and exploration activities at Aer-Kidd and West Raglan; project delays; inability to raise the funds necessary to achieve the milestones or complete development of Dumont and inability to raise the funds necessary to advance exploration activities; 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.

For more information, please contact:

Rob Buchanan
Director, Investor Relations
T: (416) 363-0649
www.royalnickel.com

Mélanie Corriveau (French contact)
Community Relations Coordinator
T: (819) 727-3777