ROYAL NICKEL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

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INTRODUCTION

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Royal Nickel Corporation ("**RNC**", "**Royal Nickel**" or the "**Corporation**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three and nine months ended September 30, 2015. This MD&A, dated November 5, 2015, is intended to supplement and complement the Corporation's unaudited condensed consolidated interim financial statements – prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board (IASB), applicable to the preparation of interim financial statements including IAS 34 Interim Financial Reporting – and related notes for the three and nine months ended September 30, 2015, and should be read in conjunction with both the audited consolidated financial statements for the year ended December 31, 2014, and the Corporation's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities and available at www.sedar.com. Unless otherwise noted, all amounts presented are in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to targeted milestones to achieve development of the Dumont Nickel Project, successfully obtaining project financing, successfully obtaining permitting, the future financial or operating performance of the Corporation and its projects, the future price of and supply and demand for nickel, the estimation of mineral reserves and resources, the realization of mineral reserves and 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 and existing deposits, costs and timing of future exploration as well as the potential of exploration properties, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the success of mining operations, permitting, economic return estimates and potential upside. 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. 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 Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Even with the completion of the positive feasibility study, there are no assurances that the Dumont Nickel Project will be placed into production. Factors that could affect the outcome include, among others: inability to raise the funds necessary to achieve the milestones or complete development; the actual results of development activities; project delays; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutions; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Corporation; 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 Corporation's most recent Annual Information Form. Such forward-looking statements are also based on a number of material factors and assumptions, including: the availability of financing at rates and on terms and conditions otherwise acceptable to the Corporation; future nickel prices; permitting and development consistent with Royal Nickel's expectations; foreign exchange rates; prices and availability of equipment; that contracted parties provide goods and/or services on the agreed timeframes; that the current tax credit receivable from the Quebec government is collected in a timely manner; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; and that no unusual geological or technical problems occur.

Although the Corporation 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 MD&A and the Corporation 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.

The use of the term "bankable" in this MD&A should not be construed as an indication that RNC has arranged or will be able to arrange project financing.

DESCRIPTION OF BUSINESS

Royal Nickel is a mineral resource company primarily focused on the acquisition, exploration, evaluation and development of mineral properties. The Corporation is currently considered to be in the exploration and evaluation stage. Its current principal asset is the Dumont nickel project (the "**Dumont Nickel Project**"), strategically located in the established Abitibi mining camp, 25 kilometres northwest of Amos, Quebec, Canada. In addition to the Dumont Nickel Project, the Corporation holds interests in certain other mineral properties (see below "*Mineral Exploration Properties*"). The Corporation's common shares and warrants trade on the Toronto Stock Exchange ("**TSX**") (TSX symbols RNX and RNX.WT).

Since acquiring the Dumont Nickel Project in 2007, Royal Nickel has undertaken an aggressive exploration and evaluation program to evaluate and develop this mineral resource. In detailed evaluation of the Dumont Nickel Project, Royal Nickel has completed the following successive National Instrument 43-101 ("**NI 43-101**") technical reports:

- Preliminary Economic Assessment – September 3, 2010
- Pre-feasibility Study – December 16, 2011
- Revised Pre-feasibility Study – June 22, 2012
- Feasibility Study – July 25, 2013

These technical reports were supported by detailed exploration and evaluation work including over 171,000 metres of diamond drilling at regularly spaced sections to delineate the mineral resource, assess the geotechnical properties of the rock and evaluate regional exploration targets on the Dumont property. In addition to the resource definition, several programs intended to characterize the deposit and its environment have been undertaken to support development studies. These include geological interpretation studies, deposit and geotechnical modeling, and sampling for metallurgical testing. Detailed laboratory scale metallurgical testing on representative samples from the Dumont Nickel Project has been undertaken leading to a standard flowsheet design and estimate of nickel recovery and concentrate quality.

Feasibility Study

On June 17, 2013, the Corporation released the results of a bankable feasibility study ("**feasibility study**") based on a startup scenario of production of 52,500 tonnes per day ("**tpd**") with a subsequent expansion to production of 105,000 tpd in year five. A bankable feasibility study is a comprehensive analysis of a project's economics (to an accuracy of +/- 15%) and is used by the banking industry for financing purposes. The results from the feasibility study demonstrate RNC's potential to be among the top five nickel sulphide operations globally (by annual nickel production) and that the Dumont Nickel Project has the third largest nickel reserves in the world. Highlights of the feasibility study include:

- After tax net present value ("**NPV**") of US$1,137 million at a discount rate of 8% from commencement of construction;

- After tax internal rate of return ("**IRR**") of 15.2%;

- Simple payback period of 6.1 years;

- Initial capital expenditure estimate for the 52,500 tpd startup scenario of US$1,191 million;

- Expansion from 52,500 tpd to 105,000 tpd in year five is estimated to require an additional US$891 million investment;

- Initial nickel production of 73 million pounds (Mlbs) (33 kt) annually, expanding in year five to an annual average of 113 Mlbs (51 kt) for the remainder of the 20-year mine life and average production over the 33-year project life of 90 Mlbs (41kt) annually;

- C1 cash costs[1] of US$4.01/lb (US$8,840/t) during initial phase and US$4.31/lb (US$9,502/t) over 33-year life-of-project (low 2nd quartile of cash cost curve) (assuming a long-term US$/CDN$ exchange rate of $0.90 and an oil price of US$90 per barrel);

- Ore reserves of 1.2 billion tonnes at a 0.27% nickel grade containing 6.9 billion pounds of nickel to support a 33-year project life including 1.3 billion pounds of nickel in proven reserve;

- 1 million ounce PGE (platinum + palladium) reserve established;

- Estimated annual average of US$427 million earnings before interest, taxes, depreciation and amortization and US$238 million free cash flow over the 20-year mine life.

- Nickel price assumptions used: US$9.00/lb long term and US$9.50, US$10.00 and US$10.50/lb in 2015, 2016 and 2017 respectively.

Additional potential opportunities exist to improve the economics of the project that have not been included in the feasibility study at this time:

- ***Alternate Downstream Processing Option:*** The feasibility study economics assume selling nickel concentrate to a third party. However, an alternate downstream processing option of producing nickel oxide or ferronickel could be utilized to potentially improve project economics as a result of lower costs, more payable nickel and a larger customer base.

- ***Trolley Assist – Mining Cost Improvements:*** The feasibility study pit design allows for the potential to improve the overall mining costs for the Dumont Nickel Project by installing trolley assist during the expansion in year five and utilizing electricity to replace a portion of the diesel fuel consumed by trucks.

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[1] C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits.

- ***Iron Ore (Magnetite) Concentrate – Potential Additional By-product Credit:*** The Dumont Nickel Project also has the potential to produce a 63.5% magnetite concentrate by-product that could be sold to steel producers to improve the revenue stream for the project.

All of these options will continue to be evaluated and may be included in the project at a later time if supported by the economics.

The NI 43-101 compliant feasibility study technical report on the Dumont Nickel Project dated July 25, 2013 is available on SEDAR at www.sedar.com.

THIRD QUARTER AND RECENT HIGHLIGHTS

- On September 29, 2015, the Corporation announced the discovery of new high grade Ni-Cu-PGE mineralization at multiple locations during the 2015 exploration season at its 68% owned West Raglan nickel sulphide project located in northern Quebec. These discoveries demonstrate the occurrence of high grade Ni-Cu-PGE mineralization outside of the Frontier zone and that the potential for the discovery of high grade deposits on the West Raglan property extends for tens of km along the strike of the North (Raglan) Trend at surface. The success of this year's program highlights the exploration potential of the remaining portions of the North (Raglan) trend and South (Nunavik Nickel) trend.

- On August 4, 2015, the Corporation announced it had executed a memorandum of understanding with Duro Felguera S.A. ("DF") and Ausenco Canada ("Ausenco"), pursuant to which DF-Ausenco will perform the work required to complete an EPC Lump Sum Turnkey Proposal for the Dumont Nickel Project. RNC has agreed to award to the DF-Ausenco alliance the engineering, procurement, construction and services agreement for the Dumont Project if certain technical and commercial parameters are met including delivery of a lump sum turnkey proposal no later than December 15, 2015. The EPC Proposal must not exceed C$911 million for the defined scope of work, and will contain a Project Performance Guarantee related to the cost and schedule for completion. During the preparation of the EPC Proposal, DF-Ausenco will also make reasonable commercial efforts to reduce this not to exceed value, if possible.

- On July 30, 2015, the Corporation announced the receipt of a positive Environmental Assessment Decision for the Dumont Nickel Project from the Federal Minister of the Environment. The Minister determined that the project is not likely to cause significant adverse environmental effects with the implementation of mitigation measures outlined in the Comprehensive Study Report and has therefore referred the project back to the responsible authorities, Fisheries and Oceans Canada and Natural Resources Canada, for the issuance of permits. This decision, along with the main environmental permit received from the Quebec Government on June 25, 2015, leaves the project well positioned to proceed in a timely manner once financing is in place.

- On July 8, 2015, the Corporation announced the closing of a royalty and private placement transaction with Orion Mine Finance (Orion). The Corporation received gross proceeds of US$10.0 million (C$12.6 million) from Orion in exchange for a 0.75% net smelter return royalty in the Dumont Nickel Project and 10 million common shares of the Corporation, issued at $0.395 per share. The Corporation has the right to repurchase 50% of the royalty (0.375%) for a cash payment of US$15.0 million on the third, fourth or fifth anniversary of the closing.

- The Corporation incurred a net loss of $1.5 million ($0.01 per share) for the three months ended September 30, 2015, compared to a net loss of $1.6 million ($0.01 per share) for the same period in 2014.

OPERATIONAL REVIEW

The Corporation's immediate focus is to continue the development of its current principal property, the Dumont Nickel Project.

Dumont Nickel Project

During the third quarter of 2015, the Corporation continued its activities in support of the development of the Dumont Nickel Project. The work program focused on the bulk test program including both a mineral processing pilot plant and concentrate roasting, assisting with the EPC proposal preparation,supporting and following up on the ESIA filing. The following were the major activities and accomplishments during the third quarter of 2015:

- ***Bulk Concentrate Production:*** 300 tonnes of ore from the previously blasted outcrop material was crushed onsite and shipped to SGS Minerals (SGS) in Lakefield, ON for pilot testing in August. Activities for the period including crushing and shipping of the sample, crushing and blending of the sample at SGS, laboratory characterization tests and setting up the 1.2 tonne/hour pilot plant equipment. The goal of the pilot plant is to generate Dumont concentrate for downstream roasting tests with completion by the end of November 2015.

- ***Roasting Tests:*** A 12" fluid bed roaster is being built at XPS Testwork an Consulting Services (XPS) in Falconbridge, ON. The pilot scale fluid bed will allow production of roasted concentrate from Dumont that can be used to test with potential customers. Activities for the period include engineering design, equipment ordering and the start of installation with completion scheduled for November 2015.

- ***EPC Proposal:*** In August it was announced that an MOU had been signed with Ausenco/DF to prepare a lump sum turn key (EPC). Work has been ongoing with RNC to support this proposal incluing engineering deisgn basis and criteria review, equipment procurement and contracting strategies.

- ***Stakeholder Relations:*** Negotiations continued with the Abitibiwinni First Nation ("**AFN**") to establish an Impact and Benefits Agreement within the framework of the memorandum of understanding ("**MOU**") signed on April 4, 2013. The MOU will serve as a framework to govern the relationship between RNC and the AFN in accordance with our mutual intentions to further build on a relationship characterized by cooperation and mutual respect, in connection with the development of the Dumont Nickel Project. The MOU sets out the areas in which RNC and the AFN have agreed to work together and maintain effective avenues of communication to support mutual goals such as environmental responsibility and the enhancement of training, employment and business opportunities for Abitibiwinni community members.

- ***Environmental and Social Impact Assessment*****:** The main environmental permit for the Dumont Nickel Project has been delivered by the Quebec Ministry of Sustainable Development, Environment and the Fight Against Climate Change. This Certificate of Authorization is the most significant permit for mining projects in Quebec and positions Dumont to proceed to construction upon completion of financing. A positive Environmental Assessment Decision was also received from the Federal Minister of the Environment.

Mineral Reserves and Resources – Dumont Nickel Project

The mineral reserves and resources for the Dumont Nickel Project shown below are extracted from the feasibility study technical report dated July 25, 2013, and filed under RNC's profile on SEDAR at www.sedar.com.

The tonnages and grades for the Mineral Reserve and Resource estimates are summarized in the tables below. The mineral resource estimate includes mineral reserves:

Mineral Resources

Mineral Resource Statement*, Dumont Nickel Project, Quebec (SRK Consulting Canada, 30 April, 2013[1])

Resource Category	Quantity (kt)	Grade Ni (%)	Grade Co (ppm)	Contained Nickel (kt)	Contained Nickel (Mlbs)	Contained Cobalt (kt)	Contained Cobalt (Mlbs)
Measured	372,100	0.28	112	1050	2,310	40	92
Indicated	1,293,500	0.26	106	3,380	7,441	140	302
Measured + Indicated	**1,665,600**	**0.27**	**107**	**4,430**	**9,750**	**180**	**394**
Inferred	499,800	0.26	101	1,300	2,862	50	112
Resource Category	**Quantity (kt)**	**Grade Pd (g/t)**	**Grade Pt (g/t)**	**Contained Palladium (koz)**		**Contained Platinum (koz)**	
Measured	372,100	0.024	0.011	288		126	
Indicated	1,293,500	0.017	0.008	720		335	
Measured + Indicated	**1,665,600**	**0.020**	**0.009**	**1,008**		**461**	
Inferred	499,800	0.014	0.006	220		92	
Resource Category	**Quantity (kt)**	**Grade Magnetite (%)**		**Contained Magnetite (kt)**	**Contained Magnetite (Mlbs)**		
Measured	-	-		-	-		
Indicated	1,114,300	4.27		47,580	104,905		
Measured + Indicated	**1,114,300**	**4.27**		**47,580**	**104,905**		
Inferred	832,000	4.02		33,430	73,702		

Notes: 1. *Reported at a cut-off grade of 0.15% nickel inside conceptual pit shells optimized using nickel price of US$9.00 per pound, average metallurgical and process recovery of 40%, processing and G&A costs of US$6.30 per tonne milled, exchange rate of C$1.00 equal US$0.90, overall pit slope of 42° to 50° depending on the sector, and a production rate of 105 kt/d. Values of cobalt, palladium, platinum and magnetite are not considered in the cut-off grade calculation as they are byproducts of recovered nickel. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

Mineral Reserves

Mineral Reserves Statement* (Snowden, 17 June 2013)[1]

Category	(kt)	Grades Ni (%)	Grades Co (ppm)	Grades Pt (g/t)	Grades Pd (g/t)	Contained Metal Ni (Mlb)	Contained Metal Co (Mlb)	Contained Metal Pt (koz)	Contained Metal Pd (koz)
Proven	179,600	0.32	114	0.013	0.029	1,274	45	77	166
Probable	999,000	0.26	106	0.008	0.017	5,667	233	250	550
Total	**1,178,600**	**0.27**	**107**	**0.009**	**0.019**	**6,942**	**278**	**328**	**716**

Notes: 1. *Reported at a cut-off grade of 0.15% nickel inside an engineered pit design based on a Lerchs-Grossmann (LG) optimized pit shell using a nickel price of US$5.58 per pound (62% of the long-term forecast of US$9.00 per pound), average metallurgical recovery of 43%, marginal processing and G&A costs of US$6.30 per tonne milled, long-term exchange rate of C$1.00 equal US$0.90, overall pit slope of 42° to 50° depending on the sector, and a production rate of 105 kt/d. Mineral Reserves include mining losses of 0.28% and dilution of 0.49% that will be incurred at the bedrock overburden interface (which corresponds to mining losses of 1 metre and 2 metres of dilution along this contact). The Proven Reserves are based on Measured Resources included within run-of-mine (ROM) mill feed. Probable Reserves are based on Measured Resources included within stockpile mill feed plus Indicated Resources included in both ROM and stockpile mill feed. All figures are rounded to reflect the relative accuracy of the estimates.

Technical Disclosure

Unless otherwise indicated, the Corporation has prepared the technical information in this MD&A ("**Technical Information**") based on information contained in the technical reports and news releases (collectively the "**Disclosure Documents**") available under Royal Nickel'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 NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The disclosure in this MD&A of all Technical Information has been approved by Alger St-Jean, P.Geo., Vice President Exploration of the Corporation and Johnna Muinonen, P.Eng., Vice President Operations of the Corporation, both Qualified Persons under NI 43-101.

Exploration Properties

West Raglan Property

On June 18, 2014, the Corporation announced that it had acquired an approximate 56% interest in True North Nickel Inc. ("**TNN")**, a private company whose main asset is a 100% interest in the West Raglan nickel sulphide project located in Quebec. On July 29, 2014, a NI 43-101 compliant technical report for the West Raglan Project was filed under RNC's profile on SEDAR.

West Raglan is a mature nickel sulphide exploration project located in the centre of the Cape Smith Belt in northern Quebec, Canada. The Cape Smith Belt is home to prolific, high-grade nickel sulphide deposits, including two producing mines; Glencore's Raglan Mine and Jilin Jien Nickel's Nunavik Mine. Over $50 million has been spent in exploration at West Raglan including the drilling of over 200 diamond drill holes. Seven zones of Ni-Cu-PGM sulphide mineralization have been found to date on the 400-square-kilometre West Raglan property. One of these zones, the Frontier Zone, includes five key high-grade lens clusters. TNN's exploration model is based on the potential to build a resource out of the mineralized lenses at Frontier, exploring for additional lenses at Frontier, and for new lens clusters across the other zones of the property. The neighbouring Raglan Mine hosts similar clusters of mineralized lenses in 12 distinct zones, four of which are currently in production and feeding a central mill facility.

RNC currently owns an approximate 68% interest in TNN.

On September 29, 2015 RNC announced the results of the 2015 exploration program on the West Raglan project which included the discovery of new high grade Ni-Cu-PGE mineralization at multiple locations on the property. The summer exploration program consisted of extensive prospecting over the Red, CDC, Beverly, Boomerang, Blue and Pure portions of the North (Raglan) trend and 10 drill holes totaling 1,493 meters.

The excellent prospectivity of the West Raglan property is highlighted by the quality of the mineralization identified at surface and by drilling, the large volume of fertile ultramafic rocks, the numerous discrete electromagnetic conductors, and the strong similarities with other published mineral deposits in the belt. The West Raglan exploration model is based on the potential to build on the success of historical discoveries at Frontier and new property-wide discoveries made in 2015 to define Raglan-style lens clusters that will support mining development.

As at the date of this MD&A, West Raglan is considered to have longer term potential. Planning of an exploration program for the summer of 2016 is ongoing.

Jefmar Property

No significant work was completed by the Corporation on the Jefmar property during the three months ended September 30, 2015. All but one claim of the Jefmar property was sold effective July 3, 2015, as part of the

Marbridge property sale, for share consideration. The one remaining claim contains a Lithium deposit and is subject to the Gleneagle Option.

NICKEL INDUSTRY TRENDS

After a five year period of strong growth in which the compound average growth rate in global nickel consumption exceeded 8% annually, year-over-year consumption growth in 2015 is on pace to be flat at approximately 1%. Nickel consumption growth has been negatively affected by lower stainless steel production in many regions and slower growth in China, where the market has also been impacted by the European Union's decision to impose anti-dumping duties on imports of cold-rolled stainless steel from China and Taiwan. Global output of stainless steel, which accounts for approximately 70% of nickel use, was down slightly in the third quarter of 2015 compared to the same period in 2014. However, according to CRU, global nickel consumption increased slightly in the third quarter of 2015 compared to the third quarter of 2014 mainly due to growth in higher nickel containing 300-series stainless steel output in China. Also according to CRU, global nickel supply declined by over 5% in the third quarter of 2015 compared to the third quarter of 2014, and by over 3% in the first three quarters of 2015 compared to the same period in 2014, largely due to lower nickel pig iron ("NPI") production in China following a period of heavy nickel ore destocking that began when Indonesia banned nickel ore exports in January 2014. There is also evidence pointing to a destocking trend of nickel inventories on the London Metal Exchange ("LME"). Since reaching a peak of 470 kilotonnes on June 4, 2015, LME inventories have declined 9% to 426 kilotonnes as of October 30, 2015.

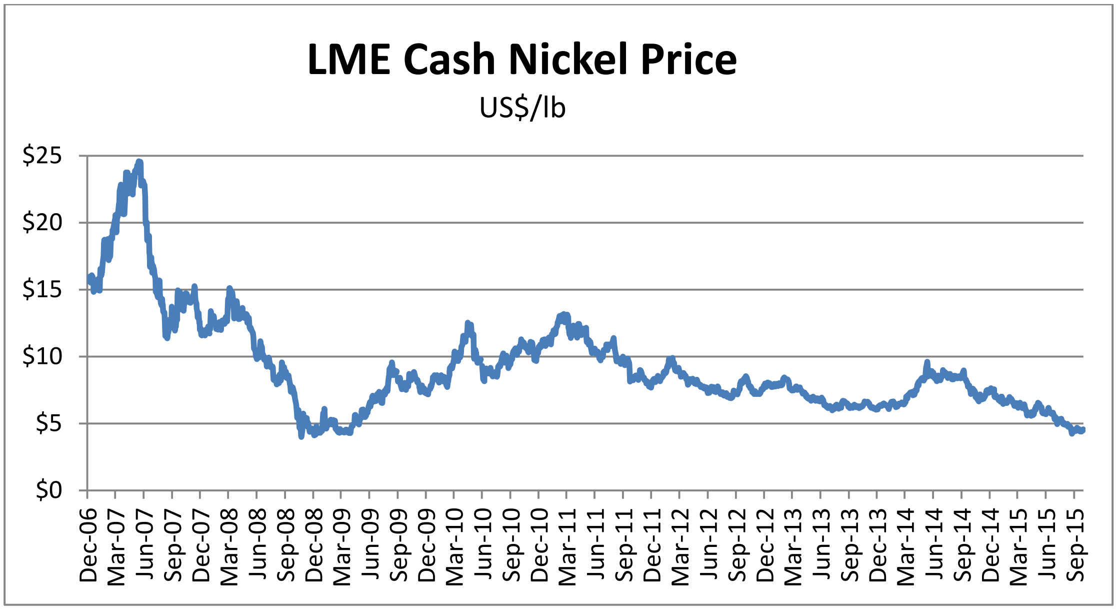
The dominant theme in the nickel market since early 2014 has been the looming constraint in nickel supply due to a lack of suitable feed for China's NPI industry, which accounted for approximately one quarter of global nickel production in 2014. In the first three quarters of 2015, China's net imports of ferronickel and refined nickel have soared to multi-year highs as high grade nickel ore stocks built up prior to the Indonesian ore export ban now appear to be largely depleted and NPI production is no longer able to keep pace with growth in Chinese demand. RNC believes that the Indonesian government will continue to strictly enforce the ban on unprocessed nickel ore exports that resulted in a 25–30% reduction in world mined nickel supply. The resolve of the Indonesian government to maintain and enforce a ban on raw material exports in an industry where they believe they have a competitive advantage is not without precedent. In 2002, the Indonesian government put in place a ban on tin concentrate exports that remains in effect today. The Indonesian government subsequently added additional restrictions to create additional tin processing in the country with the latest requirement that all exports first be traded on the Indonesian Commodity and Derivatives Exchange and meet minimum purity standards taking effect in 2013.

RNC believes that the combination of Indonesia's ore export ban and an emerging structural supply shortfall will lead to multi-year deficits beginning in 2016. RNC continues to expect that the limited available supply of nickel will not be able to meet underlying demand and nickel prices will have to rise to force demand in line with supply, similar to the situation in 2006–2007 when nickel prices averaged approximately US$14 per pound and reached highs of well over US$20 per pound.

With lower primary nickel output from China, coupled with a drop in investment in new nickel projects following the market peak in 2007, there are very few large-scale projects with the potential to start production within the next few years. RNC believes its Dumont project is well positioned to take advantage of the developing nickel market supply shortfall.

Nickel Prices

Nickel Price Trend



Source: metalprices.com
Note: Nickel trades primarily on the LME and all references to nickel prices are based on trading on the LME.

Nickel opened the third quarter of 2015 at US$5.40 per pound, reached a high of US$5.47 on July 2, 2015, a low of US$4.22 per pound on August 24, 2015 and finished the quarter at US$4.57 per pound. Nickel prices averaged US$4.79 per pound in the third quarter of 2015, compared to US$8.43 in the same period of 2014. During the third quarter of 2015, LME nickel inventories decreased by approximately 1% (5 kilotonnes) to 452 kilotonnes, approximately 4% lower than the peak of 470 kilotonnes reached on June 4, 2015.

MINERAL EXPLORATION PROPERTIES

The current principal asset of the Corporation is the Dumont Nickel Project, where a mineral reserve has been delineated. The Corporation has other exploration assets, consisting of (i) the Jefmar property; (ii) a 19% interest in SPC, which holds a 100% interest in the mineral rights of the Aer-Kidd property and (iii) a 68% interest in TNN, whose main asset is a 100% interest in the West Raglan property. It has not yet been determined whether these other properties contain an economic mineral reserve or resource.

The Dumont Nickel Project

The Dumont Nickel Project is located in the western portion of the province of Quebec. Specifically, the property is located in the Launay and Trecesson townships in the Abitibi region. The property is located approximately 25 kilometres west of the city of Amos, approximately 60 kilometres northeast of the industrial and mining city of Rouyn-Noranda and 70 kilometres northwest of the city of Val-d'Or.

The Dumont Property consists of 233 contiguous mineral claims totalling 9,306.5 hectares. The mineral resource is located mainly in Ranges V, VI and VII on Lots 46 to 62 of Launay township, and in Range V on Lots 1 to 3 of Trecesson township.

Mineral Tenure

The mineral properties comprising the Dumont Nickel Project are all mineral claims. RNC holds 100% beneficial interest in five claims. Beneficial interest in the remaining 228 claims is held 98% by RNC and 2% by Ressources Québec Inc., a subsidiary of Investissement Québec, and held under the terms of the agreement entered into by the Corporation and Ressources Québec Inc. on August 1, 2012.

Underlying Agreements

The Dumont mineral claims are subject to various royalty agreements arising from terms of the property acquisitions by RNC or through the sale of royalties. The details of the underlying agreements are described below.

Marbaw Royalty

The Marbaw International Nickel Corporation ("**Marbaw**") property comprises an area totalling 2,639.0 hectares. This area originally consisted of 65 claims. Thirty-four of these claims were ground-staked claims that were converted to map-staked claims by the Quebec Ministry of Natural Resources ("**MNR**") in 2013.
This property was originally held by Marbaw but a 100% interest in the claims was sold and transferred to RNC under an agreement dated March 8, 2007, for consideration that included future consideration.

Future consideration consisted of the following: (1) issuance of 7,000,000 shares in RNC to Marbaw upon the property being placed into commercial production or upon transfer of the property to a third party; (2) payment of $1,250,000 to Marbaw on March 8, 2008. This cash amount has been paid by RNC.

RNC also committed to incurring a minimum expenditure of $8,000,000 on the property prior to ceasing operations. This commitment was met in 2008. The Marbaw property is subject to a 3% NSR royalty payable to Marbaw. RNC has the right to buy back half of the 3% NSR royalty for $10,000,000 at any time.

This property is subject to the Ressources Québec royalty and the Orion royalties.

Coyle-Roby Royalty

The Sheridan-Ferderber property comprises an area of 256.47 hectares corresponding to six historical contiguous ground-staked claims. The claims corresponding to the Sheridan-Ferderber property were converted to map staked claims by the MNR in 2013.

The property was originally held 50% by Terrence Coyle and 50% by Michel Roby, but it was optioned to Patrick Sheridan and Peter Ferderber under an agreement dated October 26, 2006. The option agreement was subsequently assigned to RNC through an agreement dated May 4, 2007.

RNC's option to acquire 100% interest in this property was exercised by the completion of $75,000 in work on the property before October 26, 2008, and by paying $10,000 to Coyle-Roby by October 26, 2007, and $30,000 to Coyle-Roby by October 26, 2008. The claims were transferred 100% to RNC on August 25, 2008.

The property is subject to a 2% NSR royalty payable to Terrence Coyle (1%) and Michel Roby (1%). RNC has the right to buy back half of this 2% NSR royalty for $1,000,000 at any time. An advance royalty of $5,000 per year is also payable to Coyle-Roby beginning in 2011. Advance royalty payments up to and including October 2014 have been made.

These claims are also subject to the Ressources Québec royalty and the Orion royalties.

Frigon-Robert Royalty

The Frigon-Robert property comprises two contiguous claims totalling 83.84 hectares. The claims were originally held 50% by Jacques Frigon and 50% by Gérard Robert. They were transferred to RNC through a purchase agreement dated November 1, 2010.

The property is subject to a 2% NSR royalty payable to Jacques Frigon (1%) and Gérard Robert (1%). RNC has the right to buy back half of this 2% NSR royalty for $1,000,000 at any time.

These claims are also subject to the Ressources Québec royalty and the Orion royalties.

Pershimco Claims (Pershimco Royalty)
The Pershimco mineral claim block comprises five claims totalling 195.64 hectares. The claims were originally held 100% by Pershimco Resources. They were transferred to RNC through a purchase agreement dated March 18, 2013, for $30,000. These claims are subject to a 3% NSR royalty payable to Pershimco Resources. RNC has the option to buy back the NSR royalty in stages at any time by paying $1,000,000 for the first percent, $3,000,000 for the second percent and $6,000,000 for the third percent. As these claims were acquired after the Ressources Québec agreement, they are not subject to the Ressources Québec royalty.

These claims are subject to the Orion royalties.

Ressources Québec Royalty
On August 1, 2012, RNC entered into an investment agreement with Ressources Québec. Pursuant to the agreement, RNC received $12 million and Ressources Québec became entitled to receive 0.8% of the net smelter return from the sale of minerals produced from Dumont and acquired a 2% undivided co-ownership interest in the property. RNC has the right to repurchase, at any time after the fifth anniversary, all or any portion of Ressources Québec's interest for $10 million for each 0.2% of the net smelter return, to a maximum consideration of $40 million for the entire interest (including the 2% interest in the property). The Ressources Québec royalty applies to all Dumont claims except the five Pershimco claims that were acquired after the Ressources Québec agreement.

Orion Royalties
On May 10, 2013, RNC closed a royalty financing with RK Mine Finance Fund II (subsequently renamed Orion Mine Finance Fund 1). Under the terms of the financing, Orion (through 8248567 Canada Limited) acquired a 1% net smelter return royalty in the Dumont Nickel Project for a purchase price of US$15 million.

On June 30, 2015, RNC announced a further royalty financing with Orion Mine Finance ("Orion"). Under the terms of the financing, which closed July 8, 2015, Orion acquired a 0.75% net smelter royalty in the Dumont Nickel Project for a purchase price of US$6.9 million. RNC has the right to re-purchase 50% of the royalty (0.375%) for a cash payment of US$15 million on any one of the third, fourth and fifth anniversary of closing.

The Orion royalties apply to all Dumont claims.

Permits and Authorizations
Exploration work on public land ("**Crown Land**") is conducted under a forestry operational permit granted by the MNR and renewed periodically. Exploration work on agricultural zoned lands is conducted under a permit granted by the Quebec Agricultural Land Protection Commission (CPTAQ). Exploration work on private surface rights not owned by RNC is conducted under the terms of access agreements between RNC and individual land owners. Stream crossings have been constructed under permits issued variously or jointly by the MNR, CPTAQ and the Ministry of Sustainable Development, Environment and Parks. There are no known formal native land claims on the territory of the Dumont Nickel Project within the St. Lawrence drainage basin. Algonquin First Nations do, however, assert aboriginal rights over parts of western Quebec and eastern Ontario. Consultation with First Nations is a responsibility of the federal and provincial governments. Nonetheless, RNC has initiated discussions with the local Algonquin Conseil de la Première nation Abitibiwinni and in April 2013 entered into a MOU for cooperation regarding the development of the Dumont Nickel Project.

Environmental Considerations
The Corporation is unaware of any outstanding environmental liabilities attached to the Dumont Nickel Project and is unable to comment on any remediation that may have been undertaken by previous companies. In order to limit environmental impact to one drainage basin, RNC has elected to contain feasibility study project infrastructure within the St. Lawrence drainage basin.

Mining Rights in Quebec

Under Quebec Mining Law, the holder of a claim has the exclusive right to explore for mineral substances (other than petroleum, natural gas and brine, sand, gravel and other surface substances) on the parcel of land subject to the claim. A claim has a term of two years. It may be renewed for additional periods of two years by completing minimum exploration work requirements and paying renewal fees. The holder of one or more claims may obtain a mining lease for the parcels of land subject to such claims, provided that the holder can prove the existence of a workable deposit on the property.

The mineral claims confer subsurface mineral rights only. Approximately 40% of the surface rights for the property are held privately by a number of owners, resident both in the area and outside the region. Of these privately held surface rights approximately 1,409 hectares are required for the development of the Dumont Nickel Project. To date, RNC has purchased or acquired options to purchase 100% of the private surface rights required for the development of the Dumont Nickel Project. The remainder of the surface rights are Crown Land.

A portion of the Dumont Nickel Project claims underlie surface rights that are classified as an agricultural zone within the meaning of the *Act respecting the preservation of agricultural land and agricultural activities*, RSQ, c P-41.1. Exclusion of these lands from the agricultural zone, which is required to conduct mining activity on these lands, has been granted by the CPTAQ. Exclusion of adjacent lands that form a buffer zone to the project has also been granted.

Use of surface rights for mining and associated activities under the terms of a mining lease is subject to environmental permitting and public consultation. Access to surface rights for private lands has been obtained by negotiating purchase thereof from private surface rights holders. Access to surface rights for Crown Land would be obtained through the mining lease process and Crown Land leases. Prior to commencing any mining, the operator of a mine or mill on the land subject to a lease must submit a rehabilitation and restoration plan for the site and deposit a financial guarantee. No compensation may be claimed by the holder of a mining claim from the holder of a mining lease for the depositing of tailings on the parcel of land that is subject to the claim. As a result of recent amendments to the Quebec mining act, granting of a mining lease by the Ministry of Natural Resources requires prior granting of the environmental certificate of authorization, public consultation conducted by the Bureau d'audiences publiques sur l'environnement (BAPE), approval of the mine site rehabilitation and restoration plan and submission of a scoping and market study on the processing of ore in Quebec.

Dumont Nickel Project 2015 Program and Estimated Expenditures

The Corporation estimates 2015 expenditures on the Dumont Nickel Project of $7.1 million and corporate expenditures of $4.6 million.

Aer-Kidd Project

On April 14, 2014, RNC announced that 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 SPC for cash consideration of $1.5 million. SPC, a private subsidiary of Transition Metals Corp., holds a 100% interest in mineral rights of the Aer-Kidd property.

Aer-Kidd is a 280-hectare property covering approximately 1.3 kilometres of the Worthington Offset (Worthington offset) Dyke located near Worthington, Ontario, in the Sudbury Basin area. Past production on the Aer-Kidd property has come from numerous shallow underground and surface workings (Howland Pit, Rosen and Robinson Deposits). The Aer-Kidd property is located centrally between two significant known resources also on the Worthington offset, Vale's Totten mine and KGHM's Victoria project. At Aer-Kidd, there has not been any significant testing of mineralization at depth.

On March 2, 2015, the Corporation announced that SPC had released initial results from its ongoing drill program at the Aer-Kidd Project. Two of SPC's first three holes returned significant intersections of Totten-style Ni-Cu-PGM mineralization.

Highlights from these results include:

- Hole AK-14-01A intersected 8.1 metres containing 1.04% Ni, 0.75% Cu and 2.40g/t PGM (Pt+Pd+Au) from 900.8–908.9 metres including a higher grade section of 2.47% Ni, 2.47% Cu and 10.18g/t PGM over 1.65 metres from 907.25–908.90 metres

- Hole AK-14-001 returned a 1.75-metre zone of 1.37% Ni, 0.50% Cu and 1.64g/t PGM from 960.1–961.85 metres including a higher grade section of 2.34% Ni, 0.5% Cu and 2.43g/t PGM over 0.80 metres from 961.05–961.85

- High grade gersdorffite-bearing mineralization returned PGM values of 2.97g/t Pt, 24.20g/t Pd and 1.94g/t Au over a 0.40-metre interval in AK-14-001A

- Host geology is consistent with the reported host geology of Vale's Totten deposit located 2.0 kilometres southwest of the Aer-Kidd Property

- Borehole geophysics indicates that the mineralized zones remain open to the east as well as both up-dip and down-dip of the reported intersections

Drill intersection results from AK-14-001 and AK-14-001A

Hole Number	From (m)	To (m)	Length* (m)	Ni wt.%	Cu wt.%	Pt g/t	Pd g/t	Au g/t	Ag g/t	PGM g/t
AK-14-001	**960.10**	**961.85**	**1.75**	**1.37**	**0.50**	**0.32**	**1.21**	**0.11**	**2.73**	**1.64**
including	**961.05**	**961.85**	**0.80**	**2.34**	**0.50**	**0.32**	**2.04**	**0.07**	**2.76**	**2.43**
AK-14-001A	**900.80**	**908.90**	**8.10**	**1.04**	**0.75**	**0.69**	**1.52**	**0.19**	**3.81**	**2.40**
including	900.80	903.80	3.00	1.39	0.43	0.35	0.25	0.05	2.88	0.65
including	900.80	901.15	0.35	1.78	0.61	0.65	0.24	0.06	3.00	0.95
including	902.00	902.60	0.60	2.23	0.67	0.34	0.19	0.01	4.00	0.54
including	903.00	903.80	0.80	2.48	0.23	0.42	0.19	0.02	2.80	0.63
including	907.25	908.90	1.65	2.47	2.47	2.67	6.72	0.79	10.46	10.18
including	907.25	908.10	0.85	3.60	4.12	3.69	1.24	0.46	15.70	5.39
including	**908.50**	**908.90**	**0.40**	**2.42**	**1.12**	**2.97**	**24.20**	**1.94**	**7.90**	**29.11**

Note: * All intercepts reported are down hole lengths, not true thicknesses. Insufficient drilling has been completed to date to define the orientation of the mineralized zone in space.

Source: Sudbury Platinum Corporation news release dated March 2, 2015

On June 17, 2015 the Corporation announced that SPC had released further results from its ongoing drill program at the Aer-Kidd Project. The highlights released by SPC on May 25 are provided below.

Highlights:

- AK-14-001B intersected 7.40 metres containing 2.27g/t PGM (Pt+Pd+Au), 0.45% Cu and 0.33% Ni, including 0.60 metres grading 4.19g/t PGM, 1.38% Cu, and 0.33% Ni approximately 30 metres up-dip and east of AK-14-001A.
- AK-14-001C intersected 18.0 metres containing 1.84g/t PGM, 0.59% Cu and 0.39% Ni,including 4.0 metres grading 4.73g/t PGM, 1.13% Cu, and 0.27% Ni approximately 50 metres up-dip and east of AK-14-001B.
- AK-15-003 intersected 9.15 metres containing 1.46g/t PGM, 0.99% Cu and 0.67% Ni, including 1.45 metres grading 2.92 g/t PGM, 2.36% Cu and 1.11% Ni approximately 200m below the past producing Robinson Mine.

RNC's Investment in SPC

RNC currently holds 6 million common shares of SPC representing approximately 19% of the outstanding common shares of SPC. Currently, SPC's main asset is a 100% interest in the Aer-Kidd property.

Provided RNC holds more than 15% of the equity of SPC, it is entitled to appoint one director to the SPC board.

West Raglan Nickel Project

On June 18, 2014, the Corporation announced that it had acquired an approximate 56% interest in TNN, a private company whose main asset is a 100% interest in the West Raglan nickel sulphide project located in Quebec. On July 29, 2014, a NI 43-101 compliant technical report for the West Raglan Project was filed under RNC's profile on SEDAR.

A Net Smelter Royalty of 1.5% is payable to Anglo American Exploration (Canada) Ltd. for mineral production from the West Raglan Property. TNN has the right to repurchase one-third of the Royalty (or 0.5% of Net Smelter Returns) with respect to the Property for a price of $2.0 million reducing the Royalty from 1.5% to 1% of the Net Smelter Returns from the Property. There are no other royalties, back-in rights, payments or other agreements or encumbrances.

West Raglan is a mature nickel sulphide exploration project located in the west central portion of the Cape Smith Belt in northern Quebec, Canada. The Cape Smith Belt is home to prolific, high-grade nickel sulphide deposits, including two producing mines; Glencore's Raglan Mine and Jilin Jien Nickel's Nunavik Mine.

Over $50 million has been spent in exploration on the 400 square kilometre West Raglan property including the drilling of 229 diamond drill holes totaling over 43,541 metres. Seven zones of Ni-Cu-PGM sulphide mineralization have been found to date on the West Raglan property. One of these zones, the Frontier Zone, includes five key high-grade lens clusters. Highlights from Frontier Zone drilling include:

- Seahawk A: 28.28m grading 3.21% Ni, 1.32% Cu, 2.43g/t Pd and 0.65g/t Pt
- Frontier Central: 10.50m grading 2.78% Ni, 1.21% Cu, 2.78g/t Pd and 0.80g/t Pt.
- Frontier East: 7.62m grading 2.54% Ni, 1.42% Cu, 1.56g/t Pd and 0.39g/t Pt
- Frontier South: 20m grading 2.41% Ni, 0.92% Cu, 2.28g/t Pd and 0.66g/t Pt

These intersections occur in the same geological setting as the Raglan Mine in ultramafic intrusions and flows occurring stratigraphically below the Chukotat Group basalt. The mineralization is also very similar to the typical ores from the Raglan Mine, which is among the richest Ni-Cu-PGM mines in the world.

The technical report indicates significant potential to expand the lenses at the Frontier Zone based on the quality of the mineralization identified to date at surface and by drilling, the large volume of fertile ultramafic rocks, the numerous discrete electromagnetic conductors, the strong similarities with other published mineral deposits in the belt, and the fact that the deepest drill intercepts are less than 250 metres below surface and strong potential has been identified in the next depth slice (250–400 metres).

Six other zones on the property, in addition to the Frontier Area, have good indications of prospectivity as illustrated by the presence of disseminated nickel sulphide mineralization in surface rock samples and in limited reconnaissance drilling.

TNN's exploration model is based on the potential to build a resource out of the mineralized lenses at Frontier, exploring for additional lenses at Frontier, and for new lens clusters across the other zones of the property. The neighbouring Raglan Mine hosts similar clusters of mineralized lenses in 12 distinct zones, four of which are currently in production and feeding a central mill facility.

On October 14, 2014, TNN announced the completion of a $0.8 million financing and the commencement of a helicopter-borne VTEM geophysical survey over portions of the West Raglan property, which was completed in December 2014. Analysis of this airborne geophysical data along with satellite remote sensing data analysis and remodeling of historical borehole geophysics in the first quarter of 2015 have yielded several high-quality exploration targets. These targets include extensions to know mineralised Ni-Cu-PGE lenses at the Frontier Zone and regional exploration targets at other prospective location within the 60-kilometre long property.

On June 12, 2015, the Corporation increased its investment in TNN to approximately 68%.

A field exploration program was conducted in July and August 2015 to and consisted of extensive prospecting over the Red, CDC, Beverly, Boomerang, Blue and Pure portions of the North (Raglan) trend and 10 drill holes totaling 1,493 meters.

Prospecting along 29 km of strike length of the North (Raglan) trend has resulted in 3 new high grade mineralization discoveries at surface. Highlight results from individual grab samples from these discoveries include:

- CDC Zone, 2.86% Ni, 1.40% Cu, 4.80g/t Pd and 1.17g/t Pt
- Boomerang Zone, 1.35% Ni, 0.35% Cu, 1.61 g/t Pd, and 0.70g/t Pt
- Beverly Zone, 1.11% Ni, 0.40% Cu, 1.31 g/t Pd and 0.46 g/t Pt

In addition to these discoveries, a surface extension of high grade mineralization previously identified at the Red Zone was defined by grab samples with grades up to 1.79% Ni, 1.85% Cu, 2.21 g/t Pd and 0.49g/t Pt.

These discoveries demonstrate the occurrence of high grade Ni-Cu-PGE mineralization outside of the Frontier zone and that the potential for the discovery of high grade deposits on the West Raglan property extends for tens of km along the strike of the North (Raglan) Trend at surface. The success of this year’s program highlights the exploration potential of the remaining portions of the North (Raglan) trend and South (Nunavik Nickel) trend. Only 20% of the West Raglan property was covered by the 2015 prospecting program

Drilling at Frontier has helped define the grade and extent of known lenses of high grade Ni-Cu-PGE sulfide mineralization and drilling at Beverly Zone has yielded new evidence of Ni-enriched ultramafic packages. Highlights include:

- 15-TR-042 28.5m grading 2.91%Ni, 1.23%Cu, 2.31g/t Pd and 0.59 g/t Pd
- 15-TR-033 0.75m grading 4.19 %Ni. 2.26 %Cu, 0.76g/t Pt and 2.89g/t Pd
- 15-TR-034 1.3m grading 0.95%Ni. 0.45%Cu, 0.38g/t Pt and 2.03g/t Pd
- 15-TR-035 1.5m grading 0.51%Ni, 0.17%Cu, 0.09g/t Pt and 0.34g/t Pd

The excellent prospectivity of the West Raglan property is highlighted by the quality of the mineralization identified at surface and by drilling, the large volume of fertile ultramafic rocks, the numerous discrete electromagnetic conductors, and the strong similarities with other published mineral deposits in the belt. The West Raglan exploration model is based on the potential to build on the success of historical discoveries at Frontier and new property-wide discoveries made in 2015 to define Raglan-style lens clusters that will support mining development.

Jefmar Property

On July 3, 2015, the Corporation sold eight of the remaining claims of the Jefmar property, and retained only the claim optioned to Glen Eagle Resources.

OUTLOOK

Royal Nickel’s current strategic focus is to develop the large ultramafic Dumont Nickel Project and to acquire highly prospective assets, preferably cash-producing, in base and platinum group metals.

With the completion of the Corporation’s economically and technically sound feasibility study for the Dumont Nickel Project in 2013, and the receipt of the main environmental permit earlier in 2015, the focus has shifted to accelerating financing discussions with potential strategic or financial partners. Royal Nickel continues to work with its financial advisor, Rothschild, and its senior project bond advisor, Swedbank, to arrange financing to fund all stages of the development of the Dumont Nickel Project. Royal Nickel continues active discussions for financing through a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. Royal Nickel believes it can successfully implement its corporate strategy because of its unique strengths, depth of management experience and well-developed relationships in the nickel industry. However, current economic conditions are impacting the timing of the financing process and, while RNC remains optimistic that partnership and financing arrangements will be achieved in a timely manner, there is no assurance that any of the proposals or discussions held to date will lead to a binding proposal or to the signing of definitive agreements. During the second quarter of 2015, efforts and resources are being concentrated on arranging financingand working with DF-Ausenco to support their work on preparing an engineering, procurement and construction lump sum turnkey proposal. Royal Nickel has the following targeted key milestones to achieve the development of the Dumont Nickel Project:

- Completion of partnership and financing arrangements;
- Estimated construction schedule of 24 months post securing of financing and completion of detailed engineering;
- Project commissioning is expected to begin in ten to eleven quarters after financing is in place.

The Corporation is also actively analyzing geophysical data generated by the successful 2015 exploration program at its 68%-owned West Raglan nickel sulphide project to assist in preparation for the next steps to advance the project.

RNC will continue to work with the local community to maintain excellent communications and relationships throughout all phases of the project development.

In addition to the work on the Dumont Nickel Project, the Corporation will continue to investigate acquisition opportunities of highly prospective assets, preferably cash-producing, to grow the business in base and platinum group metals. The Corporation will focus on jurisdictions where it believes the risk is manageable.

RESULTS OF OPERATIONS

Three months ended September 30, 2015, compared with three months ended September 30, 2014
The Corporation’s net loss totalled $1.5 million for the three months ended September 30, 2015, (with basic and diluted loss per share of $0.01). This compares with a net loss of $1.6 million (with basic and diluted loss per share of $0.01) for the three months ended September 30, 2014. The net loss decrease of $0.1 million is due primarily to a gain on sale of mineral property interest ($0.1 million).

Nine months ended September 30, 2015, compared with nine months ended September 30, 2014
The Corporation’s net loss totalled $3.1 million for the nine months ended September 30, 2015, (with basic and diluted loss per share of $0.02). This compares with a net loss of $6.9 million (with basic and diluted loss per share of $0.07) for the nine months ended September 30, 2014. The net loss decrease of $3.8 million is due primarily to lower general and administrative expenses ($2.7 million) and a lower deferred income tax expense ($1.2 million).

The decrease in general and administrative expenses ($2.7 million) is due primarily to a lower non-cash share-based payments expense ($1.1 million), lower salaries, wages, benefits and severance ($0.8 million), lower investor relations expense ($0.3 million), lower professional fees ($0.2 million), and lower business development expenses ($0.2 million). The decrease in the non-cash share-based payments expense ($1.1 million) is due primarily to a lower mark-to-market expense for deferred share units ("**DSUs**"), restricted share units ("**RSUs**") and share appreciation rights ("**SARs**") ($0.7 million) and a lower vesting expense ($0.5 million). The higher mark-to-market expense in the prior period reflected an increase in the Corporation's share price from $0.28 as at December 31, 2013, to $0.44 as at September 30, 2014. The lower vesting expense ($0.5 million) is due primarily to a grant of 4,399,500 share purchase options on April 16, 2014, 2,300,000 of which vested immediately. The decrease in salaries, wages, benefits and severance is due primarily to reduced staff levels.

The lower deferred income tax expense ($1.2 million) is primarily due to a reduction of deferred income tax liabilities for Quebec mining duties resulting from confirmation received in the period of the amount of eligible expenditures that can be carried forward to future periods for Quebec mining duties purposes.

SUMMARY OF QUARTERLY RESULTS

Summary of Quarterly Results
(expressed in thousands of dollars except per share amounts)

	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Loss attributable to RNC shareholders	**$(1,326)**	$(1,214)	$(251)[1]	$(3,008)[2]	$(1,591)	$(3,006)[3]	$(2,305)[4]	$(1,592)
Basic and diluted loss per share attributable to RNC shareholders	**$(0.01)**	$(0.01)	$(0.00)	$(0.04)	$(0.01)	$(0.03)	$(0.02)	$(0.02)

1. The lower than normal loss for the quarter of $0.3 million was due primarily to lower general and administrative expenses ($1.1 million) and a higher deferred income tax recovery ($1.1 million).
2. The higher than normal loss for the quarter of $3.0 million was due primarily to higher mineral property interests write-down ($1.3 million).
3. The higher than normal loss for the quarter of $3.0 million was due primarily to a higher non-cash share-based payments expense of $1.3 million. The higher non-cash share-based payments expense is due primarily to a vesting expense of $0.8 million and a mark-to-market expense for deferred share units, restricted share units and share appreciation rights of $0.3 million.
4. The higher than normal loss for the quarter of $2.3 million was due primarily to a higher non-cash share-based payments expense of $0.6 million. The higher non-cash share-based payments expense is due primarily to a mark-to-market expense for deferred share units, restricted share units and share appreciation rights of $0.5 million.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

	Three months ended, September 30,		Nine months ended September 30,	
Sources and Uses of Cash (in thousands of dollars)	**2015**	2014	**2015**	2014
Cash used in operations prior to changes in working capital	**$(1,207)**	$(1,398)	**$(2,650)**	$(4,358)

Changes in non-cash working capital	**(369)**	(435)	**(996)**	(520)
Cash used in operating activities	**$(1,576)**	$(1,833)	**$(3,646)**	$(4,878)
Cash provided by (used in) investing activities	**6,492**	(2,843)	**7,926**	(6,193)
Cash provided by (used in) financing activities	**3,882**	5,223	**7,215**	5,215
Change in cash and cash equivalents	**$8,798**	$547	**$11,495**	$(5,856)

Operating Activities
For the three months ended September 30, 2015, cash used in operating activities, prior to changes in non-cash working capital, was $1.2 million compared to $1.4 million in the same period last year. For the three months ended September 30, 2015, the increase in non-cash working capital was $0.4 million compared to an increase of $0.4 million for the three months ended September 30, 2014. For the three months ended September 30, 2015, cash used in operating activities was $1.6 million compared to cash used in operating activities of $1.8 million for the three months ended September 30, 2014.

For the nine months ended September 30, 2015, cash used in operating activities, prior to changes in non-cash working capital, was $2.6 million compared to $4.4 million in the same period last year. The decrease in cash used is due primarily to lower general and administrative cash expenditures and lower deferred tax expense as outlined above under the *"Results of Operations"* section. For the nine months ended September 30, 2015, non-cash working capital increased by $1.0 million compared to a $0.5 million increase for the nine months ended September 30, 2014. The increase in non-cash working capital ($1.0 million) in the current period is due primarily to a decrease in the accounts payable ($0.6 million), an increase in amounts receivable and prepaids ($0.3 million), and a reduction in restricted share unit liability ($0.1 million) resulting from the redemption of restricted share units for cash. For the nine months ended September 30, 2015, cash used in operating activities was $3.6 million compared to cash used in operating activities of $4.9 million for the nine months ended September 30, 2014.

Investing Activities
For the three months ended September 30, 2015, cash provided by investing activities was $6.5 million, which reflects net proceeds ($8.7 million) received from the sale of the NSR royalty to Orion Mine Finance as outlined below under the *"Liquidity and Capital Resources"* section, a reduction in the collateral investment to secure an outstanding letter of credit issued to Hydro-Québec ($0.3 million), and net tax credits and mining duties received ($0.2 million), partially offset by expenditures on mineral property interests ($2.6 million). For the three months ended September 30, 2014, cash used in investing activities was $2.8 million which is due primarily to expenditures on mineral property interests ($3.0 million) offset partially by tax credits received ($0.2 million).

For the nine months ended September 30, 2015, cash provided by investing activities was $7.9 million, which primarily reflects net proceeds ($8.7 million) received from the sale of the NSR royalty to Orion Mine Finance as outlined below under the *"Liquidity and Capital Resources"* section, a reduction in the collateral investment to secure an outstanding letter of credit issued to Hydro-Québec ($4.0 million), tax credits received ($1.2 million) and proceeds on sale of surplus property, plant and equipment ($0.2 million), partially offset by expenditures on mineral property interests ($6.1 million). For the nine months ended September 30, 2014, cash used in investing activities was $6.2 million which reflects expenditures on mineral property interests ($5.7 million), a cash outlay for a collateral investment to secure an outstanding letter of credit issued to Hydro-Québec ($2.0 million), the acquisition of an equity interest in SPC ($1.5 million) in cash, offset partially by tax credits received ($3.1 million).

Financing Activities
For the three months ended September 30, 2015, the cash provided by financing activities was $3.9 million, which primarily reflects net proceeds of $3.9 million from the July 8, 2015 private placement of common shares. For the three months ended September 30, 2014, the cash provided by financing activities was $5.2

million related to net proceeds received from a public offering of common shares ($5.0 million) and proceeds received from a private placement ($0.2 million) completed by TNN.

For the nine months ended September 30, 2015, the cash provided by financing activities was $7.2 million, which primarily reflects net proceeds of $3.9 million from the July 8, 2015, private placement of common shares and $3.3 million from the June 12, 2015, private placement of flow through and other shares. For the nine months ended September 30, 2014, the cash provided by financing activities was $5.2 million related to net proceeds received from a public offering of common shares ($5.0 million) and proceeds received from a private placement ($0.2 million) completed by TNN.

For the three months ended September 30, 2015, the net cash provided by operating, investing and financing activities was $8.8 million, compared to net cash provided by such activities of $0.5 million in the same period last year. For the nine months ended September 30, 2015, the net cash provided from operating, investing and financing activities was $11.5 million, compared to net cash used in such activities of $5.9 million in the same period last year.

Liquidity and Capital Resources

(in thousands of dollars)	**September 30, 2015**	December 31, 2014
Cash and cash equivalents	**$14,438**	$2,943
Current portion of tax credits receivable	**$25**	$447
Working capital[1]	**$12,203**	$1,224
Collateral investment	**$-**	$4,000
Mineral property interests	**$66,444**	$68,950
Total assets	**$84,597**	$80,292
Equity attributable to RNC shareholders	**$67,345**	$63,211

1. Working capital is a measure of current assets less current liabilities.

The mineral exploration properties in which the Corporation currently has an interest are in the exploration and evaluation stage and as a result the Corporation has no current source of operating income and is dependent on external financing to continue operations and fund its exploration, evaluation and development activities. Historically, the Corporation's principal sources of funding have been the issuance of equity securities for cash, the sale of NSR royalties, funds from the government of Quebec with respect to mining tax credits received based on eligible exploration expenditures, interest income and funds obtained from the exercise of stock options and warrants.

The Corporation's future financing efforts may be affected by several factors including, but not limited to, general economic conditions and volatility in the capital markets.

As at September 30, 2015, the Corporation had working capital of $12.2 million compared to $1.2 million as at December 31, 2014. The increase in working capital as at September 30, 2015, reflects primarily the sale of the NSR royalty to Orion Mine Finance, net proceeds from private placement of flow through and other shares, the recovery of collateral investment, and recovery of tax credits receivable, partially offset by continued investment in the Dumont Nickel Project and expenditures on general and administrative activities. As at September 30, 2015, the Corporation had outstanding commitments to spend $0.8 million on eligible exploration expenditures by December 31, 2015.

As at September 30, 2015, the Corporation had cash and cash equivalents of $14.4 million. Management believes that the Corporation will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months. However, to meet the long term business plans of developing the Dumont project, which is one of the key components of the Corporation's financial success, the Corporation will need to raise additional capital in order to fund, amongst other things, the re-issuance of letters of credit to Hydro-Quebec, additional engineering studies, deposits on long-lead mine equipment and construction. These future funding requirements may be met in a number of ways including, but not limited to a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. The Corporation's future financing efforts may be affected by several factors including, but not limited to, general economic conditions and volatility in the capital markets. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation.

The Corporation's financial instruments credit risk is minimal as, in accordance with the Corporation's investment policy, excess cash is principally invested in high interest savings accounts at major Canadian chartered banks. In addition, amounts receivable are composed mainly of mining tax credits due from the Quebec government and sales tax receivables from government authorities in Canada.

CONTRACTUAL COMMITMENTS

	Payments due by period				
(in thousands of dollars)	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Finance leases	$32	$25	$7	$-	$-
Operating leases	411	381	30	-	-
Total contractual obligations	**$443**	**$406**	**$37**	**$-**	**$-**

In addition to the commitments in the table above, an annual advance royalty payable of $5,000 per year commenced in October 2011 as discussed under the section "*The Dumont Nickel Project*".

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Corporation does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

From time to time, in the normal course of its business, the Corporation considers potential property acquisitions, joint ventures, control or other investments and other opportunities. The Corporation will make disclosure in respect of any such opportunity if and when required under applicable securities rules.

OUTSTANDING SHARE DATA

As at November 5, 2015, the Corporation had 131,089,854 common shares issued and outstanding.

As at November 5, 2015, the Corporation had the following securities outstanding, which are exercisable for common shares or, in the case of the compensation warrants, units:

	Number of Securities	Weighted Average Exercise Price
Stock options	12,082,852	$0.63
Warrants	5,991,319	$0.72
Compensation options [1]	575,460	$0.60

1. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of $0.80 and entitles the holder thereof to acquire one common share of the Corporation on or before July 11, 2016.

As at November 5, 2015, the Corporation had the following securities outstanding, which are redeemable, at the option of the holder, in cash or common shares:

	Number of Securities
Deferred share units	1,097,343
Restricted share units	1,549,849

Under the agreement dated March 8, 2007, pursuant to which Royal Nickel acquired a 100% interest in the Marbaw Mineral Claims, the Corporation is required to issue 7,000,000 common shares in RNC to Marbaw upon the property being placed into commercial production or upon transfer (including through a merger, consolidation or asset purchase) of the property to a third party.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting. Any system of disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Corporation's internal controls over financial reporting during the quarter ended September 30, 2015, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies applied by the Corporation in the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2015, are consistent with those applied by the Corporation in the audited financial statements for the year ended December 31, 2014, except for the change in accounting policy outlined in note 2(a) to the September 30, 2015 unaudited condensed consolidated interim financial statements.

RISK FACTORS

The corporation is subject to a number of risks and uncertainties. The risk factors are discussed in the Corporation's most recent Annual Information Form on file with Canadian provincial regulatory authorities, available at www.sedar.com.