ROYAL NICKEL CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 2015

(Unaudited)

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Management’s Responsibility for Financial Reporting

The accompanying unaudited condensed consolidated interim financial statements for Royal Nickel Corporation (“**RNC**” or the “**Corporation**”) are the responsibility of management. The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions that were complete at the balance sheet date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including IAS 34.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Mark Selby

Mark Selby
President and Chief Executive Officer

/s/ Tim Hollaar

Tim Hollaar
Chief Financial Officer

Toronto, Canada

August 7, 2015

Notice of No Auditor Review of Unaudited Condensed Consolidated Interim Financial Statements

The Corporation's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditors.

Royal Nickel Corporation

Consolidated Interim Balance Sheets

(Expressed in thousands of Canadian dollars)
(Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 7)	**$5,640**	$2,943
Amounts receivable and prepaids	**183**	274
Tax credits receivable	**236**	447
	6,059	3,664
Non-current assets		
Collateral investments (note 16)	**267**	4,000
Investment in associate (note 4)	**1,502**	1,476
Other investment (note 5)	**120**	332
Tax credits receivable	**127**	95
Deposits and prepaids	**227**	179
Property, plant and equipment	**1,255**	1,495
Intangible assets	**86**	101
Mineral property interests (note 6)	**71,845**	68,950
Total assets	**$81,488**	$80,292
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$1,162**	$1,577
Deferred share units (note 9)	**420**	431
Restricted share units (note 9)	**621**	411
Flow-through share premium (note 7)	**686**	-
Current portion of finance lease obligation	**24**	21
	2,913	2,440
Non-current liabilities		
Share appreciation rights (note 9)	**113**	107
Finance lease obligation	**13**	26
Asset retirement obligation (note 13)	**484**	467
Deferred income tax liability (note 14)	**10,001**	10,702
Total liabilities	**13,524**	13,742
EQUITY		
Share capital	**108,948**	106,297
Contributed surplus	**24,538**	24,296
Deficit	**(68,847)**	(67,382)
Equity attributable to RNC shareholders	**64,639**	63,211
Non-controlling interests	**3,325**	3,339
Total equity	**67,964**	$66,550
Total liabilities and equity	**$81,488**	$80,292

The accompanying notes are an integral part of these consolidated interim financial statements.

Subsequent event (note 17)

Royal Nickel Corporation

Consolidated Interim Statements of Comprehensive Loss

(Expressed in thousands of Canadian dollars, except share and per share numbers)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Expenses				
General and administrative (note 10)	**$1,040**	$2,712	**$2,180**	$4,931
Operating loss	**(1,040)**	(2,712)	**(2,180)**	(4,931)
Share of income (loss) of associate (note 4)	**21**	(6)	**26**	(6)
Unrealized loss on derivative financial instruments (note 5)	**(56)**	(38)	**(211)**	(38)
Gain on sale of property, plant and equipment	**58**	-	**58**	-
Other income	**45**	-	**45**	-
Finance income	**11**	40	**14**	102
Loss before income tax	**(961)**	(2,716)	**(2,248)**	(4,873)
Deferred income tax expense (recovery) (note 14)	**279**	290	**(701)**	438
Loss and comprehensive loss for the period	**$(1,240)**	$(3,006)	**$(1,547)**	$(5,311)
Attributable to:				
RNC shareholders	**$(1,214)**	$(3,006)	**$(1,465)**	$(5,311)
Non-controlling interests	**(26)**	-	**(82)**	-
Loss per share attributable to RNC shareholders				
Basic and diluted (note 11)	**$(0.01)**	$(0.03)	**$(0.01)**	$(0.06)

The accompanying notes are an integral part of these consolidated interim financial statements.

Consolidated Interim Statements of Cash Flows

(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
Cash flow provided by (used in)	**2015**	2014	**2015**	2014
OPERATING ACTIVITIES				
Loss for the period	**$(1,240)**	$(3,006)	**$(1,547)**	$(5,311)
Items not involving cash				
Depreciation and amortization	**15**	17	**30**	33
Deferred income tax expense (recovery)	**279**	290	**(701)**	438
Share of (income) loss of associate	**(21)**	6	**(26)**	6
Unrealized loss on derivative financial instruments	**56**	38	**211**	38
Accretion of asset retirement obligation	**1**	-	**2**	-
Shares issued for consulting services	**19**	-	**69**	-
Gain on sale of property, plant and equipment	**(58)**	-	**(58)**	-
Share-based payments (note 9)	**363**	1,270	**577**	1,836
	(586)	(1,385)	**(1,443)**	(2,960)
Changes in non-cash working capital				
Amounts receivable, prepaids and deposits	**14**	-	**44**	(18)
Redemption of restricted share units for cash	**-**	(66)	**(80)**	(309)
Redemption of deferred share units for cash	**-**	-	**(61)**	-
Accounts payable and accrued liabilities	**(63)**	198	**(530)**	242
	(635)	(1,253)	**(2,070)**	(3,045)
INVESTING ACTIVITIES				
Expenditures on mineral property interests	**(2,566)**	(1,148)	**(3,469)**	(2,721)
Collateral investment (note 16)	**2,733**	(2,000)	**3,733**	(2,000)
Net tax credits and mining duties received	**-**	1,728	**980**	2,915
Investment in associate	**-**	(1,533)	**-**	(1,533)
Acquisition of property, plant and equipment	**-**	-	**-**	(11)
Proceeds on sale of property, plant and equipment	**190**	-	**190**	-
	357	(2,953)	**1,434**	3,350)
FINANCING ACTIVITIES				
Issuance of shares, net of issue costs	**3,343**	-	**3,343**	-
Exercise of options and warrants for cash	**-**	3	**-**	3
Principal payments on finance leases	**(5)**	(6)	**(10)**	(11)
	3,338	(3)	**3,333**	(8)
Change in cash and cash equivalents	**3,060**	(4,209)	**2,697**	(6,403)
Cash and cash equivalents, beginning of period	**2,580**	9,714	**2,943**	11,908
Cash and cash equivalents, end of period	**$5,640**	$5,505	**$5,640**	$5,505
Components of cash and cash equivalents:				
Cash	**$1,890**	$300	**$1,890**	$300
Cash equivalents	**3,750**	5,205	**3,750**	5,205
	$5,640	$5,505	**$5,640**	$5,505
SUPPLEMENTAL INFORMATION				
Interest paid	**$5**	$-	**$7**	$33
Share-based payments in mineral property interests	**157**	277	**266**	429
Depreciation of PP&E in mineral property interests	**47**	14	**93**	27
Accrued transaction costs related to acquisition of TNN	**-**	125	**-**	125
Mineral property interest included in accounts payable and accrued liabilities	**201**	819	**201**	819

The accompanying notes are an integral part of these consolidated interim financial statements.

Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, except share numbers)
(Unaudited)

	Share Capital						
	Number	Amount	Contributed Surplus	Deficit	Equity attributable to RNC shareholders	Non-controlling interest	Total Equity
Balance as at January 1, 2015	**109,656,340**	**$106,297**	**$24,296**	**$(67,382)**	**$63,211**	**$3,339**	**$66,550**
Shares issued for consulting services	221,648	69	-	-	69	-	69
Private placement – flow through common shares (note 7)	8,571,428	3,000	-	-	3,000	-	3,000
Flow-through share premium on issuance	-	(686)	-	-	(686)	-	(686)
Private placement (note 7)	2,391,638	658	-	-	658	-	658
Private placement issue costs (note 7)	-	(309)	(6)	-	(315)	-	(315)
Warrant valuation – private placement (note 7)	-	(81)	81	-	-	-	-
Increase in non-controlling interest arising from further acquisition of True North Nickel Inc. (note 3)	-	-	(68)	-	(68)	68	-
Share-based payments	-	-	235	-	235	-	235
Loss and comprehensive loss for the period	-	-	-	(1,465)	(1,465)	(82)	(1,547)
Balance as at June 30, 2015	**120,841,054**	**$108,948**	**$24,538**	**$(68,847)**	**$64,639**	**$3,325**	**$67,964**
Balance as at January 1, 2014	94,212,311	$98,164	$21,926	$(57,472)	$62,618	$-	$62,618
Redemption of restricted share units for shares	235,000	103	-	-	103	-	103
Acquisition of True North Nickel Inc. – common shares, warrants, share purchase options and non-controlling interests	5,594,696	3,637	204	-	3,841	2,876	6,717
Exercise of share purchase options	10,000	3	-	-	3	-	3
Fair value of share purchase options exercised	-	19	(19)	-	-	-	-
Share-based payments	-	-	1,042		1,042	-	1,042
Loss and comprehensive loss for the period	-	-	-	(5,311)	(5,311)	-	(5,311)
Balance as at June 30, 2014	100,052,007	$101,926	$23,153	$(62,783)	$62,296	$2,876	$65,172

The accompanying notes are an integral part of these consolidated interim financial statements.

1. NATURE OF OPERATIONS AND LIQUIDITY

The Corporation was incorporated on December 13, 2006, under the Canada Business Corporations Act. The Corporation's registered office is located at 220 Bay Street, Suite 1200, Toronto, Ontario, Canada.

The condensed consolidated interim financial statements of the Corporation as at and for the six months ended June 30, 2015, are comprised of the Corporation, its subsidiary True North Nickel Inc. ("**TNN**"), and the Corporation's interest in its associate Sudbury Platinum Corporation ("**SPC**") (collectively referred to as the "**Corporation**").

The principal business of the Corporation is the acquisition, exploration, evaluation and development of mineral property interests. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent upon several factors including, but not limited to, completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Corporation's interest in the underlying mineral claims, obtaining the necessary development permits, and the ability of the Corporation to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of mineral property interests.

The accompanying unaudited condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("**IFRS**") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

As at June 30, 2015, the Corporation had working capital of $3,146, had an accumulated deficit of $(68,847) and incurred a loss of $962 for the three months then ended. Working capital included a current tax credits receivable of $236 and cash and cash equivalents of $5,640.

Management believes that the Corporation will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Corporation's ability to continue future operations and fund its exploration, evaluation and development activities is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. Management will pursue such additional sources of financing when required, and 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.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting*.* The unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014.

The Corporation's financial year ends on December 31. The unaudited condensed consolidated interim financial statements were authorized for publication by the Board of Directors on August 7, 2015.

Basis of Preparation

The accounting policies and methods of computation applied in these unaudited condensed consolidated interim financial statements are consistent with those of the previous financial year.

3. ADDITIONAL INVESTMENT IN TNN

On June 12, 2015, the Corporation increased its investment in TNN by acquiring 12,043,356 flow-through shares and 1,475,548 common shares of TNN for $3,149, representing an additional 12.4% interest in TNN, bringing its interest to 68.3% and resulting in an increase in non-controlling interest of $68.

4. INVESTMENTS IN ASSOCIATE

At June 30, 2015, the Corporation held a direct 19.1% interest in SPC, in addition to the warrants that are still outstanding (note 5). Management has determined that its investment in the common shares of SPC gives it significant influence over SPC. As a result, the Corporation applies the equity method of accounting for its investment in SPC. SPC's financial year-end is August 31 to satisfy the reporting requirements of its majority shareholder. The Corporation's share of SPC's loss and comprehensive loss was calculated using SPC's financial results from December 1, 2014, to May 31, 2015, and taking into account any changes in the subsequent period from June 1 to June 30, 2015, that would materially affect the results.

Summarized financial information relating to the Corporation's investment in SPC is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Share of income (loss) and comprehensive income (loss)	**$21**	$(6)	**$26**	$(6)

The following table reflects the continuity of the Corporation's investment in SPC common shares:

	June 30, 2015	December 31,2014
Balance as at January 1	**$1,476**	$-
Acquisition	**-**	1,324
Gain on dilution of associate	**-**	206
Share of income (loss) and comprehensive income (loss)	**26**	(54)
Balance, end of period	**$1,502**	$1,476

5. OTHER INVESTMENT

	June 30, 2015	December 31, 2014
Investment in SPC warrants (Note 4)	**$120**	$332

The fair value of the SPC warrants was calculated using the Black–Scholes option pricing model, using the **f**ollowing assumptions at June 30, 2015, and as at December 31, 2014:

	June 30, 2015	, December 31, 2014
Share price	**$0.35**	$0.35
Exercise price	**$0.45**	$0.45
Risk free interest rate	**0.5%**	1.0%
Expected life	**0.3 years**	0.8 years
Expected volatility	**66%**	69%
Expected dividends	**nil**	nil

6. MINERAL PROPERTY INTERESTS

Exploration and evaluation expenses	Dumont	West Raglan	Total
Balance as at January 1, 2015	**$61,611**	**$7,339**	**$68,950**
Property acquisition and maintenance	508	22	530
Depreciation and amortization	23	70	93
Engineering and technical support	1,995	-	1,995
Exploration	209	252	461
Environmental, community and permitting	329	23	352
Share-based payments	266	-	266
Quebec refundable tax credits	(759)	(43)	(802)
Balance as at June 30, 2015	**$64,182**	**$7,663**	**$71,485**

7. SHARE CAPITAL

On June 12, 2015, the Corporation closed a brokered private placement of 8,571,428 flow-through shares at a price of $0.35 per flow through share and 2,391,638 units at a price of $0.275 per unit, for aggregate proceeds of $3,000 and $658 respectively ("**the Offering**"). Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of $0.375 and entitles the holder thereof to acquire one common share of the Corporation on or before June 12, 2017.

In connection with the Offering, the Corporation recorded a $686 flow-through share premium liability calculated as the difference between the share issuance price and the market price at the time of closing. The cash expenses of the Offering were $315.

The fair value of the 1,195,819 warrants issued was estimated at $81 using the Black–Scholes option pricing formula with the following assumptions: expected dividend yield 0%, share price $0.265, expected volatility 66%, risk free rate of return 0.7%, and expected maturity of two years.

As of June 30, 2015, the Corporation had outstanding commitments to spend $3,000 on eligible exploration expenditures by December 31, 2015.

8. WARRANTS AND COMPENSATION WARRANTS

The following table reflects the continuity of warrants for the six months ended June 30, 2015:

	Number of Warrants	Number of Compensation Warrants	Weighted Average Exercise Price
Balance as at January 1, 2015	5,705,354	575,460	$0.98/$0.60
Expired	(543,878)	-	1.80/-
Granted (note 7)	1,195,819	-	0.38/-
Balance as at June 30, 2015	**6,357,295**	**575,460**	**$0.79/$0.60**

As at June 30, 2015, the remaining contractual life of the outstanding warrants and compensation warrants was 1.1 years and 1.0 years respectively.

9. SHARE INCENTIVE PLAN

Share Purchase Options

During the six months ended June 30, 2015, 725,000 (2014: 5,329,685) share options were granted and the weighted average fair value of each share purchase option granted during the period, as estimated at the time of grant, was $0.16 (2014: $0.28). This was calculated using the Black–Scholes option pricing model, using the following weighted average assumptions:

	Six months ended June 30,	
	2015	2014
Share price	**$0.35**	$0.65
Exercise price	**$0.35**	$0.74
Risk free interest rate	**1.0%**	1.5%
Expected life	**3.0 years**	2.9 years
Expected forfeiture rate	**6%**	5%
Expected volatility	**70%**	71%
Expected dividends	**nil**	nil

The following table reflects the continuity of share purchase options for the six months ended June 30, 2015:

	Number of Options	Weighted Average Exercise Price
Balance as at January 1, 2015	11,987,852	$0.64
Granted	725,000	0.35
Expired	(335,000)	0.47
Balance as at June 30, 2015	**12,377,852**	**$0.63**

As at June 30, 2015, the Corporation had the following share purchase options outstanding:

	Options Outstanding			Options Exercisable		
Exercise Price Range	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
$0.27–$1.00	11,167,196	4.2	$0.50	8,847,531	4.1	$0.53
$1.01–$1.99	700,656	3.0	$1.41	700,656	3.0	$1.41
$2.00–$2.50	510,000	4.0	$2.24	510,000	4.0	$2.24
	12,377,852	**4.1**	**$0.63**	**10,058,187**	**4.1**	**$0.68**

Deferred Share Units

During the six months ended June 30, 2015, 180,000 (2014: Nil) deferred share units were redeemed for cash at a redemption price of $0.34 per deferred share unit.

The following table reflects the continuity of deferred share units for the six months ended June 30, 2015:

	Number of Deferred Share Units
Balance as at January 1, 2015	1,346,343
Redeemed	(180,000)
Balance as at June 30, 2015	**1,166,343**

Restricted Share Units

During the six months ended June 30, 2015, 906,267 (2014: Nil) restricted share units were granted, 328,707 of which were pursuant to management's election to receive restricted share units in lieu of a portion of their salary and vest one year from grant, and 577,560 were pursuant to directors' election to receive restricted share units in lieu of directors fees and vested immediately.

During the six months ended June 30, 2015, 234,630 (2014: 1,007,106) restricted share units were redeemed for cash at a redemption price of $0.34 (2014: $0.40) per restricted share unit for a total cash payment of $80 (2014: $309) and nil (2014: 235,000) restricted share units were redeemed for nil (2014: 235,000) common shares of the Corporation.

The following table reflects the continuity of restricted share units for the six months ended June 30, 2015:

	Number of Restricted Share Units
Balance as at January 1, 2015	1,284,874
Granted	906,267
Redeemed	(234,630)
Balance as at June 30, 2015	**1,956,511**

Included in the 1,956,511 restricted share units outstanding as at June 30, 2015, are 763,368 units that can only be settled for cash.

As at June 30, 2015, the weighted average remaining contractual life of the outstanding restricted share units was 2.1 years and 1,627,804 restricted share units were vested.

Share Appreciation Rights

The following table reflects the continuity of share appreciation rights for the six months ended June 30, 2015:

	Number of Share Appreciation Rights	Weighted Average Base Price
Balance as at January 1, 2015	1,226,000	$0.33
Forfeited	(102,000)	0.34
Balance as at June 30, 2015	**1,124,000**	**$0.33**

The weighted average fair value of each share appreciation right outstanding at the end of the period, as estimated as at June 30, 2015, was $0.18 (2014: $0.38). This was calculated using the Black–Scholes option pricing model, using the following assumptions:

	Six months ended June 30,	
	2015	2014
Share price	**$0.36**	$0.63
Base price	**$0.33**	$0.33
Risk free interest rate	**0.5%**	1.1%
Expected life	**2.5 years**	2.2 years
Expected forfeiture rate	**6%**	5%
Expected volatility	**70%**	70%
Expected dividends	**nil**	nil

The expense (recovery) recognized from share-based payment transactions for services received during the period is shown in the following table:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Equity settled share-based payment transactions				
Share purchase options	**$35**	$851	**$122**	$875
Total equity settled share-based payment transactions	**35**	851	**122**	875
Cash settled share-based payment transactions				
Deferred share units	**-**	-	**4**	-
Restricted share units	**117**	-	**214**	-
Share appreciation rights	**5**	35	**14**	50
Mark-to-market adjustment for deferred and restricted share units and share appreciation rights	**132**	352	**76**	847
Total cash settled share-based payment transactions	**254**	387	**308**	897
Accrued share-based payment transactions	**74**	32	**147**	64
Total expense arising from share-based payment transactions	**$363**	$1,270	**$577**	$1,836

The carrying amounts of the liabilities relating to deferred and restricted share units and share appreciation rights as at June 30, 2015, are $420, $621 and $113 respectively (at December 31, 2014: $431, $411, and $107 respectively).

10. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Expense by nature				
Salaries, wages and benefits	**$268**	$542	**$498**	$1,182
Severance	**-**	-	**62**	196
Share-based payments (note 9)	**363**	1,270	**577**	1,836
Professional fees	**18**	158	**56**	207
Consulting fees	**-**	19	**81**	27
Public company expenses	**13**	31	**47**	77
Office and general	**177**	230	**393**	488
Conference and travel	**21**	50	**38**	112
Investor relations	**108**	270	**274**	458
Business development	**57**	125	**124**	315
Depreciation and amortization	**15**	17	**30**	33
	$1,040	$2,712	**$2,180**	$4,931

11. LOSS PER SHARE

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Loss attributable to RNC shareholders	**$(1,214)**	$(3,006)	**$(1,465)**	$(5,311)
Weighted average number of common shares	**111,972,766**	95,221,144	**110,857,995**	94,739,467
Loss per share attributable to RNC shareholders – basic and diluted	**$(0.01)**	$(0.03)	**$(0.01)**	$(0.06)

The effect of potential issuances of shares under stock options, warrants, deferred share units and restricted share units would be anti-dilutive for the six months ended June 30, 2015, and 2014, and accordingly, basic and diluted loss per share are the same.

12. RELATED PARTY TRANSACTIONS

The following table reflects the remuneration of key management, which consists of the Corporation's directors and executive officers, and other related party transactions:

Remuneration of key management	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Management salaries and benefits	**$173**	$332	**$370**	$626
Directors fees	**18**	102	**18**	200
Share-based payments – Management	**164**	275	**359**	345
Share-based payments – Directors	**89**	726	**191**	744
Mark-to-market adjustment for cash settled share-based payments	**178**	450	**99**	1,062
	$622	$1,885	**$1,037**	$2,977

13. ASSET RETIREMENT OBLIGATION

The asset retirement obligation represents the legal and contractual obligation associated with the eventual closure and reclamation of the Corporation's exploration camp at the West Raglan project. The obligation consists of costs associated with reclamation, environmental monitoring and the removal of tangible assets. As at June 30, 2015, the carrying value of the asset retirement obligation represents the net present value of the estimated undiscounted cash flows required to settle the environmental obligations, which total $500 (2014: $500), using a discount rate of 0.8% (2014: 1.6%). The settlement of this obligation is estimated to occur in 2019.

	June 30, 2015	December 31, 2014
Balance as at January 1	**$467**	$-
Acquisition of TNN	**-**	464
Change in discount rate	**14**	-
Accretion expense	**3**	3
Balance, end of period	**$484**	$467

14. INCOME TAX

The Corporation incurred a loss for tax purposes for the six months ended June 30, 2015, for which no tax benefit was recorded. In addition, the Corporation recorded a refundable tax credit for mining exploration expenses and a Quebec mining duties credit on the eligible exploration expenditures incurred in the six months ended June 30, 2015. These credits were recorded as a reduction to mineral property interests. Tax laws are complex and can be subject to different interpretations. Uncertainties exist with respect to the interpretation of tax regulations, including the determination of which mining exploration expenditures are eligible for refundable tax credits and the amount and timing of collection. The amounts recognized in the financial statements are derived from the Corporation's best estimation and judgment. The Corporation may be required to change its provision for income taxes if the tax authorities ultimately are not in agreement with the Corporation's interpretation.

The deferred tax recovery for the six months ended June 30, 2015, is attributable to a reduction of deferred 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, offset by additional deferred tax liabilities relating to Quebec mining duties.

15. FINANCIAL RISK – FAIR VALUE

Fair Value Risk

The carrying values of cash and cash equivalents, amounts receivable, collateral investments, accounts payable and accrued liabilities and obligations under finance leases approximate their fair values due to their relatively short periods to maturity.

16. COLLATERAL INVESTMENTS

On September 25, 2013, the Corporation entered into an agreement with Hydro-Québec for the construction of a high voltage power transmission line to connect the Corporation's planned Dumont Nickel Project to Hydro-Québec's existing electricity distribution network (the "**Power Line Project**"). The estimated cost of the work involved is $25,600, which is required to be financed and secured by the Corporation with eight irrevocable letters of credit. The agreement with Hydro-Québec was amended on June 16, 2014, and October 17, 2014, to reflect the following revised schedule of letters of credit: (i) $2,000 on September 10, 2013; (ii) $2,000 by July 2, 2014; (iii) $2,000 by December 1, 2014; (iv) $2,500 by January 5, 2015; (v) $5,500 by April 1, 2015; (vi) $6,000 by July 2, 2015; (vii) $3,500 by October 1, 2015 and (viii) $2,100 by January 4, 2016. On October 17, 2014, the Corporation and Hydro-Québec also agreed to review the timing of the letters of credit due in 2015 and 2016. Hydro-Québec is required to progressively release the letters of credit as the Corporation fulfills its power consumption commitment over a ten year commitment period.

Under the agreement, the Corporation has the ability to suspend any additional work and postpone, up to 12 months, the issue date of all unissued letters of credit. During the suspension period, the Corporation is required to pay Hydro-Québec a regulated rate of return on the value of the expenses incurred and committed from the start of the Power Line Project up to the date work is resumed, plus any additional costs resulting directly from the suspension of work. The Corporation also has the ability under the agreement to abandon the Power Line Project and cancel its obligation to issue any additional letters of credit. In the event of abandonment, the Corporation is required to reimburse Hydro-Québec the cost of all the work that it completed and committed as at the date of abandonment, a regulated rate of return on such costs and any additional costs directly related to the abandonment including dismantling and site restoration costs where applicable.

On August 29, 2013, a $2,000 collateral investment was made, to secure the first outstanding letter of credit, which was renewed August 29, 2014. On June 27, 2014, a further $2,000 collateral investment was made, in the form of a one year fixed-rate non-redeemable guaranteed investment certificate bearing interest at the rate of 1.25%, to secure the second outstanding letter of credit.

On November 19, 2014, the Corporation suspended any additional work and postponed the letter of credit due December 1, 2014. On February 11, 2015, one of the letters of credit was reduced from $2,000 to $1,000 and on February 12, 2015, the Corporation received $1,000 of its collateral investment. On May 14, 2015, the remaining letter of credit was reduced from $2,000 to $267 and the Corporation received $1,733 of its collateral investment.

17. SUBSEQUENT EVENT

On July 8, 2015, the Corporation completed a royalty financing with Orion Mine Finance ("Orion"). Under the terms of the agreement, the Corporation received gross proceeds of $12,722 (US$10,000) from Orion in exchange for a 0.75% net smelter return royalty in the Corporation's Dumont project and 10,000,000 common shares of the Corporation issued at $0.395 per share. The Corporation has the right to re-purchase 50% of the royalty (0.375%) for a cash payment of US$15,000 on the third, fourth or fifth anniversary of closing.