



ROYAL NICKEL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2013

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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 quarter ended March 31, 2013. This MD&A, dated May 9, 2013, is intended to supplement and complement the Corporation's unaudited condensed interim financial statements – prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of interim financial statements including IAS 34 Interim Financial Reporting – and related notes for the three months ended March 31, 2013 and should be read in conjunction with both the audited financial statements for the year ended December 31, 2012 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, 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, requirements for additional capital, the expected completion of the RK Mine Finance royalty financing, management's belief that RNC will have sufficient funds to meet its obligations and budgeted expenditures for the ensuing twelve months, 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. The pre-feasibility study results are estimates only, are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Until a positive feasibility study has been completed, and even with the completion of a 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: the actual results of development activities; project delays; inability to raise the funds necessary to achieve the milestones or complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or 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: 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.

DESCRIPTION OF BUSINESS

Royal Nickel is a mineral resource company primarily focused on the exploration, evaluation, development and acquisition of mineral properties. The Corporation is currently considered to be in the exploration and evaluation stage and its current principal asset and sole material property 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 its Dumont Nickel Project the Corporation holds certain other properties, as set out below under "*Mineral Exploration Properties*". The Corporation's common shares are traded on the Toronto Stock Exchange ("**TSX**") (TSX symbol RNX).

On May 14, 2012 the Corporation released the results of a revised pre-feasibility study ("**revised PFS**") based on a 50,000 tonnes per day ("**tpd**") startup scenario with a subsequent expansion to 100,000 tpd. The revised PFS (including trolley assist) estimates an increase of 31% in the after tax net present value ("**NPV**") to US\$1,420 million at a discount rate of 8% from commencement of construction and an after tax internal rate of return ("**IRR**") of 19.5%. The simple payback period is 5.5 years. Significant additional geological, mineralogical and metallurgy work completed since the release of the initial pre-feasibility study dated December 16, 2011 ("**initial PFS**"), was incorporated in the revised PFS. Both studies assumed a long term nickel price of US\$9.00/lb and an exchange rate of CDN\$1.00 = US\$0.90. Potential recovery improvements were identified as well as the potential to utilize trolley assist to improve the overall mining cost for the project by using electricity to replace a portion of the diesel fuel consumed by trucks. The revised PFS includes the impacts of the additional testwork to increase overall recoveries by 10% to 45% as well as the detailed work to update the mining plan to include trolley assist to reduce mining costs by reducing estimated diesel consumption by 28% over the life of the project. The current pit design was completed during the initial PFS and is not optimized for use by trolley. It will be redesigned during the feasibility study stage to allow for the potential for further benefits from the implementation of trolley assist during the expansion in year five. The revised PFS highlights that follow reflect the base case including trolley assist option. The 50,000 tpd startup scenario is estimated to require an initial capital investment of US\$1,112 million which is unchanged from the initial capital estimate in the initial PFS. The expansion from 50,000 tpd to 100,000 tpd in year five is estimated to require an additional US\$739 million capital investment, which has increased slightly by \$6 million to account for the additional capital for the trolley assist. The average annual production during the first 19 years of the mine operation has increased by 12% to an estimated 49 kilotonnes of nickel in concentrate reducing to an annual average of 29 kilotonnes of nickel in concentrate for the remaining 12 years when the low grade stockpile is processed. Overall, the project is expected to generate an average annual production of 41 kilotonnes of nickel in concentrate at average cash costs of US\$4.07 per pound during a 31 year project life. A National Instrument 43-101 ("**NI 43-101**") compliant pre-feasibility study technical report on the Dumont Nickel Project dated June 22, 2012 is available on SEDAR at www.sedar.com.

Since acquiring the Dumont Nickel Project in 2007, Royal Nickel has undertaken an aggressive exploration and evaluation program to evaluate and develop the mineral resources. The exploration and evaluation work completed to date includes over 171,000 metres of diamond drilling at regularly spaced sections in order to delineate the mineral resource, assess 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. In addition, detailed laboratory scale metallurgical testing on representative samples from the Dumont Nickel Project has been undertaken leading to a standard flowsheet design.

The revised PFS has stated probable reserves for the Dumont Nickel Project of approximately 1.1 billion tonnes at a 0.27% nickel grade. This reserve was derived from an updated resource base of approximately 1.6 billion tonnes at 0.27% nickel grade in the measured and indicated category along with an additional 0.5 billion tonnes at 0.26% nickel grade in the inferred category.

CORPORATE STRATEGY

Royal Nickel's primary objective is captured through the vision statement:

To be a prosperous mining company that grows through the acquisition and responsible development of a high-quality portfolio of base and platinum group metal assets.

Our mission statement further defines how we plan to achieve the vision statement:

We are the preferred choice for our communities, employees, shareholders and business partners by consistently creating sustainable value through the safe and responsible exploration, development and operation of our mining assets.

Combined with the vision and mission statements RNC has developed a set of values that we have implemented across the company. These value statements act as guidelines for how we conduct ourselves and our decision making on a daily basis. The values are:

- We work safely
- We treat people with dignity and respect
- We respect the environment
- We hold ourselves accountable to deliver on our commitments
- We create lasting prosperity in the communities where we operate
- We generate value from our assets

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.

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

- Completion of an NI 43-101 feasibility study technical report by mid-2013;
- Completion of partnership and financing arrangements in advance of the receipt of permits;
- Potential placement of long-lead orders driven by the project schedule and market driven equipment lead times;
- Receipt of permits in the second quarter of 2014;
- Start of construction subsequent to receipt of permits in 2014; and
- Project commissioning in late 2015 and production ramp-up in 2016.

The milestones have been adjusted to account for the best estimate of permitting timelines based on progress on the Environmental and Social Impact Assessment ("**ESIA**") as well as the latest information from the

respective governmental organizations. RNC management continues to work diligently to push the development of the Dumont Project forward as quickly as possible.

In addition, Royal Nickel will continue to work with its financial advisor, Rothschild, to arrange financing to fund additional engineering studies, deposits on long-lead mine equipment, permitting and construction of the Dumont Nickel Project. Royal Nickel will continue to explore options for financing through a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives in 2013. Royal Nickel believes it can successfully implement its corporate strategy because of its unique strengths and deep management experience and well-developed relationships in the nickel industry.

FIRST QUARTER AND RECENT HIGHLIGHTS

- On May 9, 2013, the Corporation announced that it had signed a royalty purchase agreement with RK Mine Finance (“**Red Kite**”). Under the terms of the agreement, Red Kite will acquire a 1% net smelter return royalty in the Dumont Nickel Project for a purchase price of US\$15 million.
- On January 18, 2013, the Corporation announced the official opening of its new community liaison office located in the municipality of Launay in the Abitibi region of Quebec.
- On March 7, 2013, the Corporation announced that it had closed a private placement of 4 million flow-through shares at a price of \$0.50 per share for gross proceeds of \$2 million.
- On March 12, 2013, the Corporation announced that it had signed a memorandum of understanding (“**MOU**”) with Tsingshan Holding Group Co., Ltd. The MOU sets out the objectives of the parties to work together in relation to downstream concentrate processing and the potential to enter into an offtake and/or partnership arrangement. Tsingshan is the second largest Chinese stainless steel company and one of the leading innovators in the development of vertically integrated nickel pig iron and stainless steel production operations.
- On April 5, 2013, the Corporation announced the signing of a memorandum of understanding with the Abitibiwinni First Nation with respect to the Dumont Nickel Project.
- The Corporation incurred a net loss of \$1.8 million (\$0.02 per share) for the three months ended March 31, 2013 compared to a net loss of \$2.5 million (\$0.03 per share) for the same period in 2012.

OPERATIONAL REVIEW

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

Dumont Nickel Project

During the first quarter of 2013, the Corporation focused its activities on work in support of a feasibility study targeted to be completed in mid-2013. The work program focused on geological and geotechnical data collection, metallurgical testwork and flowsheet optimization, follow up on the ESIA filing and community consultation.

The following were the major activities and accomplishments during the first quarter of 2013:

- **Feasibility Study:** Work continued on the Dumont feasibility study, by a team comprised of Ausenco Limited (“**Ausenco**”), SRK Consulting (Canada) Inc. (“**SRK**”), Snowden Group, Dave Penswick, P.Eng. and Golder Associates. Key study milestones achieved in the first quarter are:
 - Completion of the project execution plan and construction schedule;

- Completion of basic engineering for the feasibility study;
- Completion of procurement activities to obtain budgetary pricing for equipment to support the feasibility study estimate.
- **Regional Exploration:** 2,000 metres of diamond drilling and 18 line-km of surface geophysics were completed to evaluate regional exploration targets that occur within the Dumont property but outside the Dumont resource.
- **Metallurgical Tests:** The following additional metallurgical tests were conducted to support the characterization of the ore body and to support the work on the feasibility study:
 - Three additional standard laboratory recovery tests on new samples were completed to fill in spatial and mineralization information gaps identified during the pre-feasibility study;
 - Optimization laboratory scale test work to support the feasibility study was completed, focussing on the following areas:
 - Slimes flotation kinetics
 - Desliming optimization
 - Reagent optimization for both the slimes and rougher flotation circuits
 - Awaruite circuit kinetics and optimization
 - Two samples of concentrate, one Pentlandite dominant and one Heazlewoodite dominant, were submitted to characterize the self-heating potential
- **Stakeholder Relations:** Continued voluntary implementation of the second phase of a public consultation process that will integrate feedback from the surrounding communities as the project evolves. The goal of this process is to ensure effective communication and distribution of information and documentation of the concerns, comments and suggestions of the host communities in order to improve the feasibility study and validate the content of the environmental impact study.
- **Environmental and Social Impact Assessment:** The exchange of information with provincial and federal authorities continued as part of the ESIA process.

Mineral Reserves and Resources – Dumont Nickel Project

The mineral reserves and resources for the Dumont Nickel Project shown below are extracted from the revised pre-feasibility study technical report dated June 22, 2012 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 Resource Statement¹, Dumont Nickel Project—SRK
April 13, 2012 (including mineral reserves)**

Resource Category	Quantity	Grade		Contained Nickel		Contained Cobalt	
	(000 t)	Ni (%)	Co (ppm)	(000 t)	(Mlbs)	(000 t)	(Mlbs)
Measured	359,440	0.29	112	1,030	2,260	40	89
Indicated	1,261,630	0.26	106	3,330	7,336	130	295
Measured + Indicated	1,621,070	0.27	109	4,360	9,596	170	384
Inferred	513,080	0.26	100	1,320	2,904	50	113

Resource Category	Quantity	Grade		Contained Palladium	Contained Platinum
	(000 t)	Pd (gpt)	Pt (gpt)	(ounces)	(ounces)
Measured	-	-	-	-	-
Indicated	182,860	0.036	0.018	211,000	107,000
Measured + Indicated	182,860	0.036	0.018	211,000	107,000
Inferred	256,530	0.030	0.016	243,000	135,000

Resource Category	Quantity	Grade	Contained Magnetite	
	(000 t)	Magnetite (%)	(000 t)	(Mlbs)
Measured	-	-	-	-
Indicated	579,620	3.87	22,450	49,500
Measured + Indicated	579,620	3.87	22,450	49,500
Inferred	1,301,540	4.13	53,760	118,515

1. Reported at a cut-off grade of 0.2 percent nickel inside conceptual pit shells optimized using nickel price of US\$9.00 per pound, average metallurgical and process recovery of 41 percent, processing and G&A costs of US\$5.40 per tonne milled, exchange rate of CAD\$1.00 = US\$0.90, overall pit slope of 40 degrees to 44 degrees depending on the sector, and a production rate of 100,000 tonnes per day. Values of palladium, platinum and magnetite are not considered in the cut-off grade calculation as they are by-products 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.

**Mineral Reserves Summary, Dumont Nickel Project—David Penswick
May 14, 2012¹**

Reserve Category	Reserve (kt)	Grade Ni (%)	Grade Co ppm	Contained Nickel		Contained Cobalt	
				(kt)	(M lbs)	(kt)	(M lbs)
Proven	-	-	-	-	-	-	-
Probable	1,066,200	0.27	107	2,876	6,340	114	252
Total Proven & Probable	1,066,200	0.27	107	2,876	6,340	114	252

1. Reported at a cut-off grade of 0.2 percent nickel inside an engineered pit design. This design was based on a Lerchs-Grossmann optimized pit shell using nickel price of US\$6.70 per pound, average metallurgical and process recovery of 41 percent, processing and G&A costs of US\$6.30 per tonne milled, exchange rate of CAD\$1.00 = US\$0.90, overall pit slope of 40 degrees to 44 degrees depending on the sector and a production rate of 50 ktpd. All figures rounded to reflect the relative accuracy of the estimates. Mineral reserves are based on a smallest mining unit of 6000m³ and include allowances of 0.65% for unplanned dilution and 0.80% for mining losses.

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.

Jefmar and Marbridge Properties

No significant exploration work was completed by the Corporation on the Marbridge and Jefmar properties during the quarter ended March 31, 2013.

For Jefmar property claim number 2116146 Lot 8, Range 6, La Motte Township, Glen Eagle Resources Inc. ("**Glen Eagle**") continues to perform exploration work under an option and joint venture agreement that was finalized in April 2011 whereby Glen Eagle can earn a 70% interest in this claim.

As at the date of this MD&A, both properties are considered to have longer term potential and, given the current focus on the Dumont Nickel Project, Royal Nickel will incur minor expenditures on both properties in 2013.

NICKEL INDUSTRY TRENDS

Similar to the first quarter of 2012, the first half of Q1 2013 saw improved market sentiment and increasing nickel prices as markets anticipated the continued strengthening of the global economic recovery. Subsequently, the combination of weaker than anticipated Chinese commodity demand after Chinese New Year combined with ongoing concern about the global economy that was exacerbated by the poor response to the Cyprus bailout package caused commodity prices to decline through the second half of the quarter. These conditions have resulted in renewed destocking throughout most of the stainless steel supply chain that is responsible for the majority of demand in China and Europe.

Despite market sentiment, driven largely by continued strong demand from the Chinese stainless steel industry, overall global nickel demand grew by approximately 4% in the first quarter of 2013 compared to the first quarter of 2012, according to Wood Mackenzie. RNC believes that, in the period from 2010 to 2020, annualized Chinese demand will grow from 0.6 million tonnes in 2010 by at least one million tonnes to a total of 1.6 million tonnes annually as it industrializes further and achieves similar per capita consumption as countries such as Germany and Japan.

The expected rebound in global nickel demand may finally materialize later in 2013 as the U.S. economy continues to show signs of recovery, the central bank in Japan began making aggressive moves to jumpstart its economy, concerns in Europe began to abate after the end of the first quarter and weaker Chinese economic figures may lead to increased Chinese stimulus. As inventory levels in many parts of the nickel/stainless supply chain are believed to be at relatively low levels in many countries, a resumption of market confidence could lead to a robust restocking rally with positive implications for the nickel market.

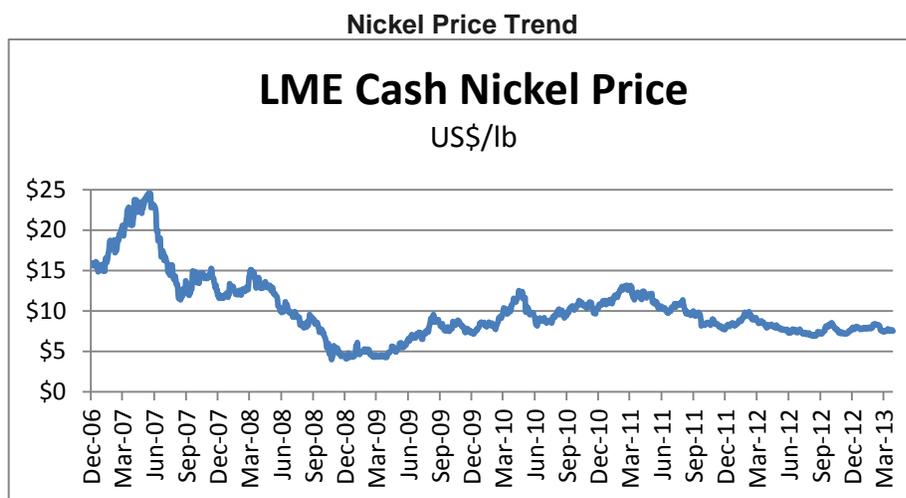
Nickel pig iron supply in China continued to grow during the first quarter of 2013 as multiple next generation integrated nickel pig iron/stainless steel plants began operation and nickel prices remained at levels high enough during most of the quarter to support production growth. Indonesia has been a substantial exporter of nickel ore to China and has provided the bulk of nickel raw material to support the growth of nickel pig iron supply in China. As a result of government policy, Indonesia will remain a source of significant uncertainty for the nickel market in 2013 and beyond. In advance of a ban on exports of unprocessed mineral ores in 2014, Indonesian export legislation has been inconsistent. Chinese imports of Indonesian ore during the first quarter of 2013 remained at high levels relative to 2012, as Chinese consumers not only increased production, but continued to stockpile ore in advance of the uncertainty brought about by the expected ban. RNC believes that although a full ban is unlikely the Indonesian government will enforce restrictions on ore exports either through a combination of export duties and/or quotas.

On the supply front, the themes of the past several years continued. A number of the new projects that began production during 2012 faced continued challenges during the quarter. RNC believes 2013 will be similar to 2012 as the robust supply growth anticipated by many market forecasters will once again fail to materialize. As a good sign for Dumont, large scale, lower-grade, open pit nickel sulphide projects continued to fare much

better than laterite projects. The Mirabela Nickel Santa Rita project largely met expectations for cost and production in 2012 and First Quantum's Kevitsa project began production in May 2012 and achieved commercial production by August 2012.

During 2013, the final set of large scale projects that were launched during the prior peak in nickel prices in 2007 will begin ramping up: Koniambo, Xstrata Nickel's joint venture in New Caledonia, produced its first ferronickel following the first quarter and Taganito, Sumitomo Metal Mining's project in the Philippines, remains on track to begin production later in 2013. Once these projects enter the market, the drop in investment in new nickel projects that was the legacy following the market peak in 2007, has left Dumont as one of the few projects ready to enter the nickel market in the middle part of this decade.

Nickel Prices



Source: metalprices.com

Note: Nickel trades primarily on the London Metals Exchange ("LME") and all references to nickel prices are based on trading on the LME.

Nickel opened the first quarter of 2013 at US\$7.90 per pound, reached a high of US\$8.44 on February 4, 2013, a low of US\$7.45 on March 1, 2013, and finished the quarter at US\$7.50 per pound. Nickel prices averaged US\$7.85 per pound in the first quarter of 2013, compared to US\$8.91 in the same period of 2012. During the first quarter of 2013, LME inventories increased 49 kilotonnes to 140 kilotonnes.

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 and (ii) the Marbridge 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.

On February 18, 2013, as part of the ongoing program of claim standardization being carried out by the Quebec Ministry of Natural Resources and in conjunction with the Dumont mining lease application process, the ground-staked claims (CL claims) which are part of the Dumont Property were converted to CDC claims that conform to the 30 second by 30 second map-staking fabric and new claim numbers were issued for the converted claims. This conversion affects only the shape and identification number of the claims.

On March 18, 2013 RNC acquired five additional claims contiguous with the northeast boundary of the Dumont Property through purchase from Pershimco Resources.

The Dumont Property consequently now 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 in which a 98% beneficial interest is held by RNC. The remaining 2% is registered in the name of 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

Several of the mineral claims are subject to royalty agreements with the parties from whom they were purchased. The details of the royalty interests are described below. The remainder of the claims comprising the Dumont Nickel Project were obtained through staking by RNC or through purchase and are not subject to any further royalty or consideration.

Marbaw Claims (Marbaw NSR)

The Marbaw International Nickel Corporation ("**Marbaw**") mineral claim block is comprised of an area corresponding to the original 65 mineral claims totalling 2,639 hectares. This block of claims was originally held by Marbaw, but a 100% interest in the claims was sold and transferred to Royal Nickel, for consideration paid at the closing time and for future consideration, under an agreement dated March 8, 2007.

Future consideration consists of the following:

- a) Issuance of 7 million 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.
- b) Payment of \$1,250,000 to Marbaw on March 8, 2008. This amount has been paid by Royal Nickel.

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 mineral claims are subject to a 3% net smelter return ("**NSR**") royalty payable to Marbaw. RNC has the right to buy back half of the 3% NSR for \$10,000,000 at any time.

Sheridan-Ferderber Claims (Coyle-Roby NSR)

The Sheridan-Ferderber mineral claim block comprises an area corresponding to the original 6 contiguous claims totalling 256.47 hectares. The claims were originally held 50% by Terrence Coyle and 50% by Michel Roby, but they were 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 block of mineral claims was exercised by the completion of \$75,000 in work on the claims 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 to RNC on August 25, 2008.

These claims are subject to a 2% NSR royalty payable to Terrence Coyle (1%) and Michel Roby (1%). Royal Nickel has the right to buy back half of this 2% NSR for \$1,000,000 at any time. An advance royalty of \$5,000 per year is also payable to Coyle-Roby beginning in 2011. The annual advance royalty payments due have been made by the Corporation.

Frigon-Robert Claims (Frigon-Robert NSR)

The Frigon-Robert mineral claim block comprises 2 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.

These claims are subject to a 2% NSR royalty payable to Jacques Frigon (1%) and Gérard Robert (1%). Royal Nickel has the right to buy back half of this 2% NSR for \$1,000,000 at any time.

Pershimco Claims (Pershimco NSR)

The Pershimco mineral claim block comprises 5 claims totalling 195.64 hectares. The claims were originally held 100% by Pershimco Resources Inc. 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 Inc. RNC has the option to buy back the NSR 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.

Ressources Québec Agreement (Ressources Québec NSR)

On August 1, 2012, the Corporation sold a 2% undivided co-ownership interest in the Dumont Nickel Project to Ressources Québec, a subsidiary of Investissement Québec, for \$12 million, which interest entitles Ressources Québec to a 0.8% NSR from the Dumont Nickel Project. At any time after August 1, 2017, the Corporation has the right to acquire all or a portion of the 0.8% NSR for a price of \$10 million per 0.2% increment. Upon acquisition by the Corporation of the full 0.8% NSR, the 2% undivided co-ownership interest will be re-conveyed to the Corporation. The Ressources Québec royalty applies to all Dumont claims except the Pershimco claims.

Red Kite Agreement (Red Kite NSR)

On May 9, 2013, the Corporation signed a royalty purchase agreement with Red Kite. Under the terms of the agreement, Red Kite will acquire a 1% NSR royalty in the Dumont Nickel Project for a purchase price of US\$15 million.

Permits and Authorizations

Exploration work on public land (Crown land) is conducted under a forestry operational permit granted by the Quebec Ministry of Natural Resources (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 entered into a memorandum of understanding 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 which may have been undertaken by previous companies. In order to limit environmental impact to one drainage basin, RNC has elected to contain pre-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. RNC has

purchased or acquired options to purchase approximately 680 hectares of private surface rights overlying the Dumont resource. The remainder of the surface rights are public land (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. Mining activity on these lands would require rezoning or exclusion of these lands from the agricultural zone by the CPTAQ. This exclusion must be requested by the local municipality. The application for exclusion must demonstrate that there are no suitable non-agricultural lands available for the stated purpose in the municipality. Royal Nickel does not expect that exclusion for the purpose of developing the Dumont Nickel Project would be unreasonably withheld. The application for exclusion was filed with the CPTAQ on February 20, 2013.

Use of surface rights for mining and associated activities under the terms of a mining lease is subject to environmental permitting. Access to surface rights for private lands would be obtained by negotiating purchase thereof from private surface rights holders. Access to surface rights for public lands would be obtained through the mining lease process. 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.

Dumont Nickel Project 2013 Program and Estimated Expenditures

The current estimate for expenditures on the Dumont Nickel Project and corporate expenditures for 2013 is approximately \$17 million.

Marbridge Property

On April 22, 2009, the Corporation entered into an agreement (the "**Marbridge Agreement**") to acquire a 100% ownership interest in the Marbridge Property from Xstrata for a total cash consideration of \$1,000,000. On July 31, 2009, the Corporation completed the acquisition pursuant to the terms of the Marbridge Agreement and acquired a 100% interest in the Marbridge Property.

The Marbridge Property is located 60 kilometres by road southeast of the Dumont Nickel Project and 40 kilometres northwest of Val-d'Or, Quebec. The deposits are komatiite-hosted and lie within the broad La Motte ultramafic belt within the eastern Abitibi Greenstone Belt. The Marbridge Property comprises two mining concessions totalling 240 hectares in La Motte Township.

The four deposits at the Marbridge Property were discovered by prospecting and surface drilling during the period 1957 to 1966. The deposits were previously operated under a joint venture between Falconbridge Nickel Mines and Marchant Mining that produced 702,366 tonnes of ore grading 2.28% nickel and 0.1% copper over a five year period between 1962 and 1968.

In 2012, four drill holes totalling 107 metres were completed to characterize and evaluate mineralization types identified during compilation of historical data. This work confirmed that a previously unrecognized and poorly tested nickel bearing ultramafic flow horizon (up to 1.39% Ni over 2.02m) is located on the Marbridge property and merits further study and testing. Further compilation of historical data in light of these results is planned for 2013 to identify exploration targets.

Jefmar Property

On March 26, 2008, the Corporation signed a formal property acquisition agreement (the "**Jefmar Agreement**") with Jefmar Inc. ("**Jefmar**") relating to the acquisition of a 100% interest in 14 mining claims totalling 586 hectares (the "**Jefmar Property**") in the La Motte and Figuery townships, in the province of Quebec.

Pursuant to the terms of the Jefmar Agreement, the Corporation gave the following consideration for the acquisition of the Jefmar Property:

- a) Payment of \$70,000 to Jefmar;

- b) Issuance of 150,000 common shares to Jefmar; and
- c) A 2% NSR royalty granted to Jefmar. The Corporation has the right and option to buy back 1% of the NSR royalty for a price equal to \$1,000,000 with a minimum of 60 days prior written notice to Jefmar.

On September 10, 2010, the Corporation entered into a letter agreement with Glen Eagle on Jefmar property claim number 2116146 Lot 8, Range 6, La Motte Township whereby Glen Eagle can earn 70% interest in this claim by completing exploration expenditures and making option payments to Royal Nickel over a three year period. The Option and Joint Venture agreement was finalized in April 2011. Glen Eagle has completed a total of approximately \$269,000 in exploration expenditures on the claim to fulfill the expenditure requirement of \$250,000 by the second anniversary date, and has made the required option payment of \$10,000 on the September 10, 2012, anniversary date of the agreement to keep the option in good standing. Glen Eagle completed a NI 43-101 Preliminary Economic Assessment dated January 22, 2013, for a lithium deposit that occurs partly on claim 2116146.

No significant expenditures by Royal Nickel are anticipated for the project for 2013.

RESULTS OF OPERATIONS

Three months ended March 31, 2013, compared with three months ended March 31, 2012

The Corporation's net loss totalled \$1.8 million for the three months ended March 31, 2013 (with basic and diluted loss per share of \$0.02). This compares with a net loss of \$2.5 million (with basic and diluted loss per share of \$0.03) for the three months ended March 31, 2012. The net loss decrease of \$0.7 million is due primarily to lower general and administrative expenses (\$0.9 million) partially offset by a higher deferred income tax expense (\$0.1 million).

The decrease in general and administrative expenses of \$0.9 million is due primarily to lower consulting fees (\$0.4 million), lower share-based payments expense (\$0.1 million), and lower salaries, wages and benefits (\$0.1 million). The decrease in consulting fees (\$0.4 million) is due primarily to lower project finance advisory fees. The decrease in the share-based payments expense (\$0.1 million) is due to a higher mark-to-market recovery for deferred share units, restricted share units and share appreciation rights, and a lower vesting expense. The decrease in salaries, wages and benefits is primarily due to a reduction in payroll-related costs charged to general and administrative expenses.

SUMMARY OF QUARTERLY RESULTS

Summary of Quarterly Results

(expressed in thousands of dollars except per share amounts)

	2013				2012			2011
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net loss	\$(1,783)	\$(1,611)	\$(2,948) ¹	\$(2,097)	\$(2,506)	\$(1,772)	\$(1,182)	\$(3,068) ²
Net loss per share	\$(0.02)	\$(0.02)	\$(0.03)	\$(0.02)	\$(0.03)	\$(0.03)	\$(0.01)	\$(0.03)
Fully diluted net loss per share	\$(0.02)	\$(0.02)	\$(0.03)	\$(0.02)	\$(0.03)	\$(0.03)	\$(0.01)	\$(0.03)

1. The higher than normal loss for the quarter of \$2.9 million was primarily due to a higher deferred income tax expense of \$0.8 million and a higher share-based payments expense of \$0.5 million. The higher deferred income tax expense is due primarily to the amount of deferred income tax liability associated with Quebec mining duties. The higher share-based payments expense is due primarily to a mark-to-market expense for deferred share units and restricted share units of \$0.3 million.

2. The higher than normal loss for the quarter of \$3.1 million was primarily due to a higher deferred income tax expense of \$1.8 million that reflects the re-measurement of the deferred tax liability associated with Quebec mining duties, as a result of an increase in the Quebec mining duties rate to 16% from 12% enacted in the quarter.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Three months ended March 31,

Sources and Uses of Cash (in thousands of dollars)	2013	2012
Cash used in operations prior to changes in working capital	\$(1,347)	\$(2,027)
Changes in non-cash working capital	(132)	(115)
Cash used in operating activities	(1,479)	(2,142)
Cash used in investing activities	(3,669)	(2,255)
Cash provided by financing activities	1,797	213
Change in cash and cash equivalents	\$(3,351)	\$(4,184)

Operating Activities

For the three months ended March 31, 2013, cash used in operating activities, prior to changes in non-cash working capital, was \$1.3 million compared to \$2.0 million in the same period last year. The decrease in cash used is due primarily to lower general and administrative cash expenditures as outlined above under the "Results of Operations" section. For the three months ended March 31, 2013, and March 31, 2012, non-cash working capital increased by \$0.1 million. For the three months ended March 31, 2013, cash used in operating activities was \$1.5 million compared to cash used in operating activities of \$2.1 million for the three months ended March 31, 2012.

Investing Activities

For the three months ended March 31, 2013, cash used in investing activities was \$3.7 million which reflects expenditures on mineral property interests. For the three months ended March 31, 2012, the total cash used in investing activities was \$2.3 million which reflects expenditures on mineral property interests (\$4.9 million) offset partially by net tax credits received (\$2.6 million).

Financing Activities

For the three months ended March 31, 2013, cash provided by financing activities was \$1.8 million, which reflects net proceeds of \$1.8 million from the March 7, 2013 flow-through share offering. For the three months ended March 31, 2012, cash provided by financing activities was \$0.2 million, which reflects cash proceeds of \$0.2 million from the exercise of 650,000 warrants at \$0.35.

For the three months ended March 31, 2013, the net cash used as a result of operating, investing and financing activities was \$3.4 million, compared to net cash used of \$4.2 million for the same period last year.

Liquidity and Capital Resources

(in thousands of dollars)	March 31, 2013	December 31, 2012
Cash and cash equivalents	\$7,409	\$10,760
Current portion of tax credits receivable	\$9,594	\$7,340
Working capital ¹	\$13,116	\$15,351
Mineral property interests	\$60,810	\$56,750
Total assets	\$80,294	\$79,047
Shareholders' equity	\$67,361	\$68,013

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 fund its continued exploration and development program. Historically, the Corporation's principal sources of funding have been the issuance of equity securities for cash, the sale of a net smelter return royalty, 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.

On March 7, 2013, the Corporation closed a private placement of 4,000,000 flow-through shares at a price of \$0.50 per flow-through share for gross proceeds of \$2 million. On May 9, 2013, the Corporation signed a royalty purchase agreement with Red Kite. Under the terms of the agreement, Red Kite will acquire a 1% NSR royalty in the Dumont Nickel Project for a purchase price of US\$15 million. The Corporation's future financing efforts may be affected by general economic conditions and volatility in the capital markets.

The Corporation's financial instruments credit risk is minimal as, in accordance with the Corporation's investment policy, excess cash is principally invested in short-term deposits and 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.

As at March 31, 2013, the Corporation had working capital of \$13.1 million compared to \$15.4 million as at December 31, 2012. The decrease in working capital as at March 31, 2013, reflects primarily the continued investment in the Dumont Nickel Project and expenditures on general and administrative activities, partially offset by proceeds received from the flow-through shares offering. The working capital of the Corporation as at March 31, 2013, includes a current tax credit receivable from the Quebec government of \$9.6 million. 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 determination of whether expenditures qualify for exploration tax credits requires significant judgment involving complex technical matters that make the ultimate tax collection uncertain. As a result, there may be material differences between the actual tax credits received following final resolution of these interpretation matters with the relevant tax authority and the recorded amount of tax credits.

As at March 31, 2013, the Corporation had cash and cash equivalents of \$7.4 million, of which \$1.6 million is restricted to eligible exploration expenditures pursuant to a flow-through financing. Management believes that the Corporation will have sufficient funds to meet its obligations and budgeted expenditures for the ensuing twelve months as they fall due. However, to meet the long term business plans of developing the Dumont Nickel Project, which is a key component of the Corporation's financial success, the Corporation will need to raise additional capital in order to fund, amongst other things, additional engineering studies, deposits on long-lead mine equipment, permitting and construction. These funding requirements may be met in the future 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. 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.

OUTLOOK

The Corporation's current focus is to advance the Dumont Nickel Project through the next phases of feasibility, permitting, construction and operation. The revised PFS announced in May 2012 forms the foundation for the feasibility study and the opportunities identified in the revised PFS, such as the magnetite concentrate by-product, the inclusion of platinum and palladium credits and further mine optimization, will be evaluated during the feasibility study. The feasibility study was officially launched in June 2012 and RNC and the engineering teams continue to make significant progress, anticipating completion by mid-2013. With the appointment of Ausenco and SRK to lead the feasibility study, RNC has maintained the strong experienced team from the pre-feasibility phase. In addition, with the completion of the \$12 million investment by Ressources Québec as well as the expected completion of the Red Kite royalty financing, RNC remains focused on delivering the milestones and searching for value throughout the feasibility work.

RNC continues to work with the local community and has reconstituted the Community Advisory Group to expand participation and to maintain excellent communications and relationships throughout all phases of the project development. The Community Advisory Group is providing key input into the project development and the ESIA process. The permitting process for the Dumont Nickel Project is ongoing, and the ESIA was filed in November 2012. In 2013, RNC will continue with the permitting process with the goal of receiving permits in the second quarter of 2014.

A key focus for the Corporation in 2013 is to secure a strategic or financial partner and initiate the project debt financing. RNC's previously announced formal partnership process begun in late June 2012 is ongoing. At this time, RNC continues to be in discussions with interested parties to invest in the Dumont project either directly or through other investment structures. RNC anticipates partnership and financing arrangements to be completed in advance of the receipt of permits, expected in the second quarter of 2014. 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.

In addition, 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.

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 March 31,	
	2013	2012
Management salaries and benefits	\$391	\$542
Directors fees	98	91
Share-based payments – Management	122	65
Share-based payments – Directors	4	20
Mark-to-market adjustment for cash settled share-based payments	(131)	(52)
	\$484	\$666
Administrative and general expenses		
Consulting fees paid to a director	\$-	\$11

The Corporation is party to certain employment contracts with senior executives. These contracts contain clauses requiring additional payments to be made upon the occurrence of certain events, including contract termination or the change of control of the Corporation. The total amount of severance that would become payable to the senior executives upon a change of control or terminations without cause is \$3 million.

CONTRACTUAL COMMITMENTS

(in thousands of dollars)	Payments due by period				
	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Obligations under finance leases	\$64	\$43	\$21	\$-	\$-
Operating leases	1,277	412	750	115	-
Total contractual obligations	\$1,341	\$455	\$771	\$115	\$-

An annual advance royalty payable of \$5,000 per year commenced in October 2011 as discussed under the section "*The Dumont Nickel Project*".

CONTINGENCIES

The Corporation's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As at May 9, 2013, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will only arise when mine development commences.

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 million 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.

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

There are no proposed transactions of a material nature being considered by the Corporation. However, the Corporation continues to evaluate properties that it may acquire in the future. See "*Outlook*" above.

OUTSTANDING SHARE DATA

As at May 9, 2013, the Corporation had 94,112,311 common shares issued and outstanding.

As at May 9, 2013, the Corporation had the following securities outstanding, which are exercisable for common shares:

	Number of Securities	Weighted Average Exercise Price
Stock options	6,785,250	\$1.60
Warrants	240,000	\$0.50

As at May 9, 2013, 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	1,346,343
Restricted share units	2,100,427

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate disclosure controls and internal controls over financial reporting. Any system of disclosure controls 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 disclosure controls and internal controls over financial reporting during the quarter ended March 31, 2013, that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies applied by the Corporation to the unaudited condensed interim financial statements for the three months ended March 31, 2013, are consistent with those applied by the Corporation to the audited financial statements for the year ended December 31, 2012, except for the following:

Changes in Accounting Policies

The Corporation adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

The Corporation adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Corporation to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments.

The Corporation adopted IFRS 13 on January 1, 2013, on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Corporation to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

The Corporation adopted the amendments to IFRS 12 effective January 1, 2013. These amendments carry forward existing disclosures and also introduce significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. These changes did not result in additional disclosures as the Corporation does not have an interest in other entities.

RISK FACTORS

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.