ROYAL NICKEL CORPORATION

NOTICE AND
MANAGEMENT INFORMATION CIRCULAR
FOR
ANNUAL MEETING
OF SHAREHOLDERS
TO BE HELD ON JUNE 20, 2012

ROYAL NICKEL CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of shareholders of Royal Nickel Corporation (the "Corporation") will be held at Design Exchange, Library Room, 234 Bay Street, Toronto, Ontario, Canada on June 20, 2012 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2011, together with the auditors' report thereon;

2. to elect the directors of the Corporation;

3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; and

4. to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

If you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy, if by mail or delivery, to Computershare Investor Services Inc. 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by facsimile to (416) 263-9524 or 1-866-249-7775 so as to arrive not later than 5:00 p.m. (Toronto time) on the second business day preceding the date of the Meeting or any postponement or adjournment thereof. You may also vote by telephone or via the Internet by following the instructions on the form of proxy. If you vote by telephone or via the Internet, completion or return of the proxy form is not needed. If you execute the form of proxy you may still attend the Meeting. Only registered shareholders and duly appointed proxyholders may vote in person at the Meeting.

BY ORDER OF THE BOARD

"*Tyler Mitchelson*"

Toronto, Ontario
May 10, 2012

Tyler Mitchelson
President, Chief Executive Officer and Director

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ROYAL NICKEL CORPORATION

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this "Circular") is furnished in connection with the solicitation by management of Royal Nickel Corporation ("Royal Nickel" or the "Corporation") of proxies to be used at the annual meeting (the "Meeting") of the shareholders of the Corporation to be held at Design Exchange, Library Room, 234 Bay Street, Toronto, Ontario, Canada on June 20, 2012 at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the "Notice of Meeting"). It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The total cost of the solicitation will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified in such form of proxy to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy and returning it in the manner set forth in the form of proxy.

A shareholder who has given a proxy may revoke it (i) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing either at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof, or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof, or (ii) in any other manner permitted by law.

Exercise of Discretion

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. At the date of the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to herein as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS")), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting common shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

In Canada, the majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("Broadridge"). Broadridge typically supplies a voting instruction form and asks Beneficial Shareholders to return the completed forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a form from Broadridge cannot use that form to vote common shares directly at the Meeting. The form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.**

Record Date

The directors have fixed May 7, 2012 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such record date are entitled to vote at the Meeting.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of special shares, issuable in series. As of May 7, 2012, there were 89,529,618 common shares and nil special shares of the Corporation issued and outstanding. Each holder of common shares is entitled to one vote in respect of each common share held by such holder.

To the knowledge of the directors and officers of the Corporation, based on publicly available information as of the date hereof, RAB Special Situations (Master) Fund Limited beneficially owns 11,555,500 common shares, which is approximately 13% of the outstanding common shares. To the knowledge of the directors and officers of the Corporation, based on publicly available information as of the date hereof, no other person beneficially owns, or controls or directs, directly or indirectly, common shares carrying 10% or more of the voting rights attached to common shares of the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of common shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation's last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting (other than the election of directors).

Information Incorporated by Reference

This Circular incorporates by reference information disclosed in the annual information form of the Corporation dated March 15, 2012 (the "Annual Information Form") which is available on SEDAR at www.sedar.com. Upon request, the Corporation will promptly provide a copy of the Annual Information Form free of charge to a shareholder of the Corporation.

BUSINESS OF THE MEETING

Election of Directors

At the Meeting, it is proposed that the seven directors whose names are set forth below be elected to the board of directors of the Corporation (the "Board"). Each nominee for election as a director is currently a director of the Corporation. All directors elected will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the election of directors, the persons named in the enclosed form of proxy intend to vote **FOR** the election of the nominees whose names are set forth below.

The following table sets forth with respect to each of the persons proposed to be nominated for election as directors the name; city, province/state and country of residence; the present principal occupation, business or employment; a brief biographical description; the date on which the person became a director of the Corporation; the person's independence as a member of the Board; committee membership; attendance at meetings of the Board; the number of common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly; the number of stock options and other share-based awards held, all as at the date hereof.

For additional information regarding compensation of each of the nominees, please see “Statement of Executive Compensation – Director Compensation”.

<table>
<tr><th>Nominees for Election as Directors</th><th>Number of Common Shares (1)</th><th>Number of Options (2)</th><th>Number of Awards (3)</th></tr>
<tr><td rowspan="2">PETER GOUDIE
Seaforth, NSW, Australia
Director since July 17, 2008
Independent
Committee membership: Audit Committee; Compensation Committee
Board meetings attended in 2011: 78% (7 of 9)</td><td>443,850</td><td>350,000</td><td>69,000 DSUs</td></tr>
<tr><td colspan="3">Mr. Goudie was Executive Vice President (Marketing) of Inco and then Vale from January 1997 to February 2008. Mr. Goudie was also responsible for the strategy, negotiation, construction and operation of Inco’s joint venture production projects in Asia. He has been employed with Inco since 1970 in increasingly more senior accounting and financial roles in Australia, Indonesia, Singapore and Hong Kong, before becoming Managing Director (later President and Managing Director) of Inco Pacific Ltd. in Hong Kong in 1988. He is an Australian CPA.</td></tr>
<tr><td rowspan="2">SCOTT M. HAND
Toronto, Ontario, Canada
Director since June 27, 2008
Independent
Executive Chairman
Committee membership: Corporate Governance and Nominating Committee
Board meetings attended in 2011: 100% (9 of 9)</td><td>1,248,765</td><td>741,250</td><td>318,637 DSUs</td></tr>
<tr><td colspan="3">Mr. Hand is the Executive Chairman of the Corporation, a position held since November 2009, and a director of Manulife Financial Corporation, Legend Gold Corp., Chinalco Mining Corporation International and the World Wildlife Fund Canada. Mr. Hand was the Chairman and Chief Executive Officer of Inco from April 2002 until he retired from Inco in January 2007. Prior to that, Mr. Hand was President of Inco and held positions in Strategic Planning, Business Development and Law. Mr. Hand received a Bachelor of Arts from Hamilton College and a Juris Doctorate from Cornell University.</td></tr>
<tr><td rowspan="2">PETER C. JONES
Oakville, Ontario, Canada
Director since November 17, 2008
Independent
Committee membership: Audit Committee; Corporate Governance and Nominating Committee; Health, Safety and Environment Committee
Board meetings attended in 2011: 100% (9 of 9)</td><td>62,250</td><td>350,000</td><td>69,000 DSUs</td></tr>
<tr><td colspan="3">Mr. Jones is a director of a number of companies including Century Aluminum Company and Concordia Resources Corp. Prior to 2007 he was President, Chief Operating Officer and a director of Inco, and before that President and Chief Executive Officer of Hudson Bay Mining and Smelting Co. Ltd. Mr. Jones has over 40 years of international mining experience.</td></tr>
<tr><td rowspan="2">FRANK MARZOLI
Montreal, Quebec, Canada
Director since May 11, 2007
Independent
Committee membership: Corporate Governance and Nominating Committee; Health, Safety and Environment Committee
Board meetings attended in 2011: 100% (9 of 9)</td><td>5,000,000(4)</td><td>350,000</td><td>69,000 DSUs</td></tr>
<tr><td colspan="3">Mr. Marzoli is the President, Chief Executive Officer and Chairman of Marbaw International Nickel Corporation, a position held since December 2006. He is also the President, Chief Executive Officer and sole director of Marzcorp Oil & Gas Inc. since July 2008. Marbaw held a 100% interest in the Marbaw Claims which were sold to Royal Nickel in February 2007. In 1971, Mr. Marzoli joined the import business specializing in Asian countries. In 2004, Mr. Marzoli left the import business to pursue the resource sector full time.</td></tr>
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<table>
<tr><th>Nominees for Election as Directors</th><th>Number of Common Shares (1)</th><th>Number of Options (2)</th><th>Number of Awards (3)</th></tr>
<tr><td rowspan="2">GILLES MASSON
Laval, Quebec, Canada
Director since August 15, 2007
Independent
Committee membership: Audit Committee; Compensation Committee
Board meetings attended in 2011: 100% (9 of 9)</td><td>61,250</td><td>350,000</td><td>69,000 DSUs</td></tr>
<tr><td colspan="3">Mr. Masson is a director of Malaga Inc., Semafo Inc. and EACOM Timber Corporation. Mr. Masson worked for PricewaterhouseCoopers LLP from June 1969 until December 2005 when he retired as a partner in the auditing department. Over the course of his 36 year career, his clientele consisted of large national and international corporations operating in diverse fields. He has vast experience in the auditing of public corporations as well as in-depth knowledge of GAAP. His knowledge and experience also extend to regulations applicable to the presentation of financial information by public corporations. He is a certified director by the Institute of Corporate Directors. He obtained a Bachelor in Commerce in 1969 and a diploma in General Accounting in 1971 from the École des hautes études commerciales de Montréal. He has been a member of the Ordre des comptables agréés du Québec since 1972.</td></tr>
<tr><td rowspan="2">TYLER MITCHELSON
Oakville, Ontario, Canada
Director since September 17, 2009
Not independent
Committee membership: N/A
Board meetings attended in 2011: 100% (9 of 9)</td><td>65,000</td><td>930,000</td><td>712,500 RSUs</td></tr>
<tr><td colspan="3">Mr. Mitchelson is the President and Chief Executive Officer of the Corporation, a position held since October 2009. Mr. Mitchelson was previously Vice President, Strategy, Business Planning and Brownfield Exploration with Vale. From 1995 to 2006, he worked for Inco in various financial and planning roles in the operations in Thompson, Manitoba, Sorowako, Indonesia and Sudbury, Ontario. Mr. Mitchelson earned his Chartered Accountant designation while working for PricewaterhouseCoopers LLP (formerly Price Waterhouse) from 1991 to 1995. He is a member of the Institute of Chartered Accountants of Ontario and holds a Bachelor of Commerce (honours) degree from the University of Manitoba.</td></tr>
<tr><td rowspan="2">DARRYL SITTLER
Toronto, Ontario, Canada
Director since September 17, 2009
Independent
Committee membership: Compensation Committee; Health, Safety and Environment Committee
Board meetings attended in 2011: 100% (9 of 9)</td><td>50,000</td><td>350,000</td><td>69,000 DSUs</td></tr>
<tr><td colspan="3">Mr. Sittler is a former National Hockey League player and a 1989 inductee to the Hockey Hall of Fame. Mr. Sittler is a self-employed businessman in the areas of public relations, community relations and team building. Mr. Sittler is an Ambassador of Maple Leaf Sports and Entertainment and a director of Wallbridge Mining Company Limited, Miocene Metals Ltd., Frontline Gold Corporation and Stay Gold Inc. Mr. Sittler is a certified director by the Institute of Corporate Directors.</td></tr>
</table>

Notes:

(1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the directors, including those which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors.

(2) For additional information regarding options held by directors, please see "Statement of Executive Compensation – Director Compensation".

(3) For additional information regarding awards held by directors, please see "Statement of Executive Compensation – Director Compensation".

(4) Held through Marbaw International Nickel Corporation, of which Mr. Marzoli is President, CEO and Chairman.

Darryl Sittler was previously a director of Randsburg International Gold Corp. On August 9, 2006, a cease trade order was issued against Randsburg International Gold Corp. for failure to file a technical report in the required form. The cease trade order was revoked on April 25, 2007.

Scott Hand was until recently a director of Royal Coal Corp. On May 3, 2012, a temporary cease trade order was issued against Royal Coal Corp. for failure to file annual financial statements and related documents for the year ended December 31, 2011.

Appointment of Auditors

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, who were first appointed as auditors of the Corporation on May 25, 2009.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote **FOR** the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP and its affiliates from the Corporation for the financial years ended December 31, 2011 and December 31, 2010 is set out under the heading "Audit Committee Information – External Audit Fees" in the Corporation's Annual Information Form which is available on www.sedar.com.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Background

The Corporation was incorporated on December 13, 2006 and completed its initial public offering on December 16, 2010. The Corporation is a mineral resource company primarily focused on the exploration, evaluation, development and acquisition of mineral properties. Currently, the Corporation's principal asset and sole material property is the 100% owned Dumont nickel project, strategically located in the established Abitibi mining camp, 25 km northwest of Amos, Quebec, Canada. In addition, the Corporation holds certain other properties. Disclosure of the Corporation's properties is set out under the heading "Description of the Business" in the Corporation's Annual Information Form which is available on www.sedar.com.

This Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, granted, given or otherwise provided by the Corporation to (i) Tyler Mitchelson, the President and Chief Executive Officer, (ii) Fraser Sinclair, Chief Financial Officer, (iii) Mark Selby, Senior Vice President, Business Development, (iv) Alger St-Jean, Vice President, Exploration, and (v) Johnna Muinonen, Vice President, Operations (collectively, the "Named Executive Officers" or "NEOs").

Role of Compensation Committee

The compensation program of the Corporation is administered by the Board with the assistance of the Compensation Committee. The Corporation's Compensation Committee consists of three directors, being Mr. Peter Goudie, as chairman, and Messrs. Masson and Sittler. All members of the Compensation Committee are independent directors of the Corporation. The Board, with the assistance of the Compensation Committee, reviews and makes decisions in respect of compensation matters relating to senior executives and directors of the Corporation, ensuring consistent application of matters relating to remuneration, competitive remuneration and policies to attract and retain talent and ensuring that executive remuneration is consistent with industry standards.

The responsibilities of the Compensation Committee include assisting the Board with respect to, among other things: (a) developing a compensation philosophy and policies; (b) reviewing and approving goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the performance of the Chief Executive Officer in light of those goals and objectives and making recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; (c) reviewing and making certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; (d) making recommendations to the Board with respect to the form of compensation of the directors; and (e) reviewing executive compensation disclosure.

Objectives of the Compensation Program

Both the Compensation Committee and Board have recognized that the NEOs are critical to achieve the vision and mission of the Corporation with the primary focus being the successful development of Dumont nickel project, and that compensation plays an important role in achieving both short-term and long-term objectives that ultimately drive success. In August 2011, the Compensation Committee, on behalf of the Corporation, engaged The Human Well (the "Compensation Consultant"), an independent consulting firm with extensive experience in the mining sector, to advise and assist the Corporation in the development of compensation policies and to complete a Benchmarking Study for executive compensation and directors' remuneration. This included working with the Compensation Committee to identify an appropriate comparator and peer group which would be used for executive compensation benchmarking purposes for 2011 and subsequent periods as the Corporation moves to project development and operations. For its services in 2011, $52,570 was paid to the Compensation Consultant.

Based on the work completed by the Compensation Consultant, the Compensation Committee developed compensation policies, which were reviewed and approved by the Board, which policies will guide the compensation decisions made by the Compensation Committee and Board. Such policies reflect the Corporation's philosophy regarding executive compensation that it must:

- Provide competitive compensation sufficient to attract, retain and motivate high-performing senior executives with the skills necessary to achieve the Corporation's strategy;

- Align compensation directly to the achievements of the corporate and personal performance objectives that cascade from the approved strategy;

- Encourage execution of goals and objectives in a manner consistent with the Corporation's vision, mission and values; and

- Align the interests of senior executives with those of the Corporation's shareholders.

Benchmarking

The Benchmarking Study arrived at two comparator or peer groups of companies, representing the companies that the Corporation competes against for talent. The first group consists of 11 development stage mining companies. The criteria for the selection of the first group was development stage companies similar to the Corporation. The key criteria considered was:

- stage of development with projects in the pre-feasibility, feasibility or early construction phase

- project size similar to the Dumont Project in terms of estimated project capital and throughput

- level of complexity considering technical, social, political, geographic, financial and commodity factors

- number of assets focus on primarily single asset companies
- market capitalization

The second group consists of another 11 mining companies, representing the companies that the Corporation expects to be competing against for talent in the next stage of the Corporation's development. In developing compensation levels for the financial year ended December 31, 2011, the Compensation Committee considered the first group of comparator or peer group of companies. The companies included in such first group were as follows: Adriana Resources Inc., Polymet Mining Corp, Duluth Metals Limited, Western Copper and Gold Corporation, General Moly, Inc., New Millennium Iron Corp., Augusta Resources Corporation, Copper Fox Metals Inc., Detour Gold Corporation, Fronteer Gold Inc. (acquirerd by Newmont Mining Corporation in April 2011) and Nova Gold Canada Inc.

While compensation levels are ultimately based on the best judgment of the Compensation Committee and Board, it was agreed that the compensation policy of the Corporation would be to utilize the 50th percentile of the comparator group selected for the year for base salary and the 50th to 75th percentile for the total compensation of each NEO.

Elements of Compensation

The compensation paid to the NEOs for the financial year ended December 31, 2011 was comprised primarily of the following three components:

Base Salary

Base salary is designed to remunerate the NEOs for discharging their duties and responsibilities and therefore takes into account the position and responsibilities of the NEO, previous experience, prior performance and anticipated contribution.

Short-term Incentive Compensation

In addition to base salary, the NEOs are eligible to receive an annual bonus based on the achievement of performance objectives. In the case of the Chief Executive Officer, the annual objectives are established by the Compensation Committee based on the Corporation's strategy and key milestones with input from the Executive Chairman of the Board. For the other NEOs, the performance objectives cascade from the Chief Executive Officer's objectives and the Corporation's strategy and key milestones and reflect the individual's position and responsibilities. The target bonus for each NEO is expressed as a percentage of base salary. Each NEO may elect to receive up to 50% of his or her short term incentive in share-based compensation under the Corporation's share incentive plan, which was most recently amended and restated by the Board with the approval of the TSX on March 15, 2012 ("Share Incentive Plan"). For 2011, the Compensation Committee reviewed the performance of the CEO, with input from the Executive Chairman of the Board, and the performance of the other NEOs, with input from the CEO, based on deliverables against objectives and the manner in which the objectives were achieved. See "Performance Goals" below. Overall, the Compensation Committee determined the NEOs achieved the majority of the objectives and in some cases, under very challenging circumstances. The share price performance in 2011 was disappointing as the Corporation delivered on its commitments but the impact of the expiry of the lock up agreements from the Corporation's initial public offering combined with very challenging market conditions for junior mining companies resulted in poor share price performance. The Compensation Committee and Board considered all these factors as well as the financial position of the Corporation and the need to retain the key talent in the organization when awarding the annual bonuses outlined below. As an indication of commitment to the long-term success of the Corporation, each NEO elected to take 50% of his or her annual bonus for 2011 in the form of RSUs which are described in greater detail below.

Long-term Incentive Compensation

Long-term incentives are intended to align the interests of NEOs with the interests of shareholders by motivating NEOs to increase shareholder value over the long-term. Targets for long-term incentives are benchmarked to the market for competitiveness, consider the value of the NEO's contribution to the long-term success of the Corporation and the percentage of compensation that the Compensation Committee determines should be at risk. The award targets are modified based on the performance of the NEOs during the year, corporate performance and the anticipated contribution of the NEO. Long-term incentive compensation may take the form of stock options, deferred share units ("DSUs"), restricted share units ("RSUs") and other share based awards under the Share Incentive Plan. For the fiscal year ended December 31, 2011, the NEOs received a grant of stock options and RSUs. The RSUs were granted at the election of each individual to receive 50% of their bonus in share-based compensation and consequently vested immediately. The number of RSUs granted is based on the dollar amount of the bonus elected to be taken in the form of RSUs divided by the closing price of the Corporation's common shares on the TSX on the day prior to the grant date. The initial number of options proposed to be granted to the NEOs were valued using the Black-Scholes method based on share price at the time of the grant, with a view to providing total compensation in the 50^{th} to 75^{th} percentile of the comparator group selected for the year. Upon review of the results of the calculation and considering the Corporation's share price performance at the time of the proposed option grant as well as previous grants which had been made to the NEOs and the threshold limits under the Share Incentive Plan, the Compensation Committee recommended, and the Board decided, to significantly reduce the proposed option grants.

Performance Goals

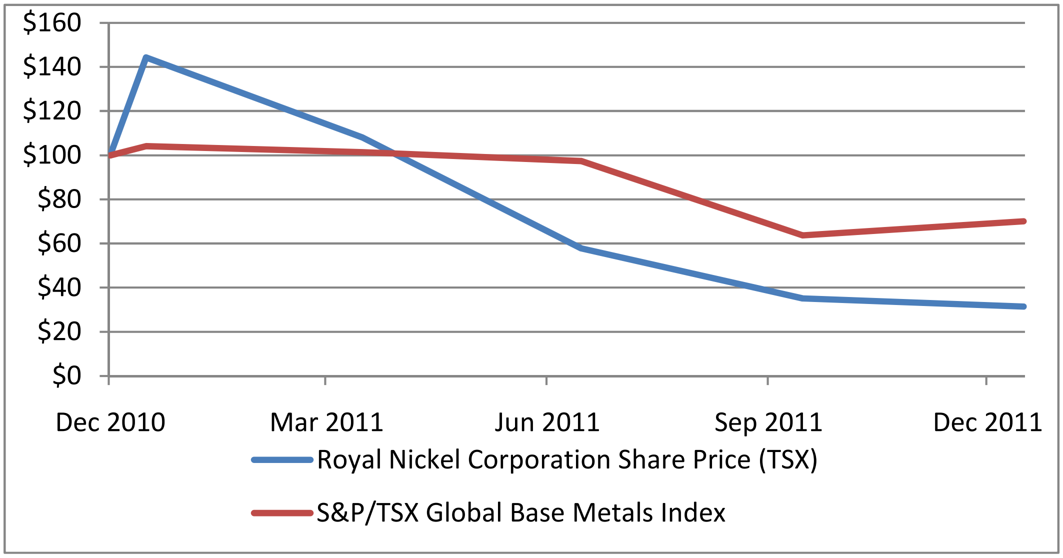
The key objectives of the NEOs for 2011 focused on achieving key milestones to move the Dumont Project forward, strengthening the team for the next phases of the project, developing the business practices, including investor relations, for a public company, and development and execution of a financing strategy for the next phases of the project.

The Corporation also provides basic perquisites and benefits to its NEOs such as medical, dental, life insurance and disability plans. All of the NEOs have termination and change of control provisions in their employment agreements. The Corporation does not provide for any pension plan.

For additional information regarding options and awards, please see "Incentive Plan Awards – Share Incentive Plan".

Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in common shares of the Corporation with the total cumulative return of the S&P/TSX Global Base Metals Index since the Corporation's initial public offering on December 16, 2010:



	16-Dec-10	31-Dec-10	31-Mar-11	30-Jun-11	30-Sep-11	31-Dec-11
Royal Nickel Corporation Share Price (TSX)	$ 100.00	$ 144.32	$ 108.11	$ 57.84	$ 35.14	$ 31.35
S&P/TSX Global Base Metals Index	$ 100.00	$ 104.03	$ 101.34	$ 97.35	$ 63.65	$ 70.09

The S&P/TSX Global Base Metals Index is designed to provide investors an index of global securities involved in the production or extraction of base metals. The index is a subset of the S&P/TSX Global Mining Index, an investable index that provides investors with a broadly representative benchmark for global mining portfolios. As such, it is difficult to directly compare our NEO compensation with the trends reflected in the graph above as the Corporation is still in the development stage.

The Corporation is of the view that compensation levels for the NEOs cannot and should not be directly compared to quarter over quarter or year over year relative share price performance. Global commodity prices, particularly the price of nickel, and general market conditions, are significant factors affecting the Corporation's stock price and these are beyond the control of the Corporation's officers.

The Corporation's executive compensation package is designed to attract, retain and motivate high-performing senior executives with the skills and experience necessary to achieve the Corporation's strategy and grow the business through both adverse and favourable economic cycles. In the case of the Corporation, the already very challenging market conditions for junior mining companies in 2011 were exacerbated by the June 2011 expiry of the lock up agreements from the Corporation's initial public offering. A significant portion of NEO compensation is based on long-term incentives with the ultimate value received tied directly to the Corporation's share price performance.

Named Executive Officers' Summary Compensation Table

The Corporation became a reporting issuer on December 10, 2010. The following table (presented in accordance with *Form 51-102F6 – Statement of Executive Compensation* ("Form 51-102F6") under *National Instrument 51-102 – Continuous Disclosure Obligations* ("NI 51-102")) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation for the financial years ended December 31, 2011, 2010 and 2009 in respect of the Chief Executive Officer, the Chief Financial Officer and three most highly compensated executive officers of the Corporation (the NEOs).

Name and principal position	Year	Salary ($)	Share-based awards ($)(5)	Option-based awards ($)(6)	Non-equity incentive plan compensation		All other compensation ($)(7)	Total compensation ($)
					Annual incentive plans ($)	Long-term incentive plans ($)		
Tyler Mitchelson President and Chief Executive Officer(1)	2011 2010 2009	350,000 350,000 71,960	175,000 800,000 Nil	66,073 Nil 900,000(8)(9)	175,000 200,000 180,000	Nil Nil Nil	- - 350,000(8)	766,073 1,350,000 1,501,960
Fraser Sinclair Chief Financial Officer and Corporate Secretary(2)	2011 2010	265,000 56,058	66,250 484,000(8)	29,366 250,380(8)	66,250 27,500	Nil Nil	- 85,000(8)	426,866 902,938
Mark Selby Senior Vice President, Business Development(3)	2011 2010	200,000 213,115	50,000 724,000(8)	29,366 278,550(8)	50,000 46,000	Nil Nil	- -	329,366 1,261,665
Alger St-Jean Vice-President, Exploration	2011 2010 2009	175,000 175,000 175,000	43,750 124,000 Nil	18,354 Nil 286,500(9)	43,750 78,750 65,000	Nil Nil Nil	- - -	280,854 377,750 526,500
Johnna Muinonen, Vice-President, Operations(4)	2011 2010	165,000 66,634	45,375 340,000(8)	18,354 278,850(8)	45,400 26,950	Nil Nil	- -	274,129 712,434

Notes:

(1) Mr. Mitchelson commenced employment on October 13, 2009.

(2) Mr. Sinclair commenced employment on October 18, 2010.

(3) Mr. Selby was paid a retainer and a daily rate from April 1, 2010 to November 1, 2010. He entered into an employment agreement effective November 1, 2010.

(4) Ms. Muinonen commenced employment on August 9, 2010.

(5) This represents DSUs and RSUs. All share-based awards granted in 2010, a portion of which were granted in lieu of a cash bonus at the election of the individual, were granted prior to the closing of the initial public offering in December 2010 and are valued using the share price from the last private placement completed prior to the closing of the initial public offering of $2.00 per share. All share-based awards granted in 2011 were granted on December 16, 2011 in lieu of a cash bonus at the election of the individual. The number of RSUs granted were based on a price of $0.56, the closing price of the common shares on the TSX on the day prior to the grant date.

(6) The fair value of options-based awards was determined using the Black-Scholes option pricing model. The Black-Scholes option valuation is determined using the exercise price, expected life of the stock option, expected volatility of the common share price, expected dividend yield and risk-free interest rate. The Corporation assigns an exercise price equivalent to the value of one common share on the TSX on the date immediately preceding the date of the grant. Prior to the initial public offering in December 2010 the Corporation assigned the exercise price equivalent to the value of one common share from the last private placement immediately preceding the date of grant.

(7) The aggregate value of perquisites and other personal benefits was less than 10% of the total salary of each NEO for the financial year.

(8) Amounts under All Other Compensation represent one-time signing bonuses for Messrs. Mitchelson and Sinclair. Amounts under Option-based Awards represent initial option grants when each NEO joined the Corporation. Amounts under Share-based Awards include initial share-based award grants when Mr. Sinclair, Mr. Selby and Ms. Muinonen joined the Corporation of $360,000, $550,000 and $250,000 respectively.

(9) At the annual meeting held on June 3, 2010, the shareholders approved an amendment extending the exercise period of stock options then outstanding from 5 to 10 years. The impact on the Black-Scholes option pricing model value of the 2009 option-based awards to Messrs. Mitchelson and St-Jean was an increase of $480,750 to $1,380,750 and an increase of $75,050 to $361,550 respectively.

Discussion of Summary Compensation Table

Additional factors necessary to understand the information disclosed in the Summary Compensation Table above include the terms of each NEO's employment agreement.

Tyler Mitchelson

Mr. Mitchelson became President and Chief Executive Officer of the Corporation effective October 13, 2009. Mr. Mitchelson's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $350,000 per annum for the years ended December 31, 2009, 2010 and 2011, and is to be reviewed at a minimum annually by the Compensation Committee. In December 2011, the Compensation Committee recommended, and the Board approved, an increase in base salary to $385,000 for the year ending December 31, 2012. Mr. Mitchelson's employment agreement as amended on March 15, 2012 also provides for an annual bonus with a target amount equal to the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Mr. Mitchelson's employment agreement provides that he has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units. On commencement of employment, Mr. Mitchelson received (i) a one-time signing bonus of $350,000, (ii) a $180,000 bonus payment for 2009 and (iii) 750,000 stock options with an exercise price of $2.00 per share, vesting as to 1/3 of such stock options on the date of grant, the first anniversary of the date of grant and the second anniversary of the date of grant. See also "Termination and Change of Control Benefits" below.

Fraser Sinclair

Mr. Sinclair became Chief Financial Officer effective October 18, 2010. Mr. Sinclair's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $265,000 per annum for the years ended December 31, 2010 and 2011, and is to be reviewed by the Compensation Committee from time to time. In December 2011, the Compensation Committee recommended, and the Board approved, an increase in base salary to $280,000 for the year ending December 31, 2012. Mr. Sinclair's employment agreement as amended on March 15, 2012 also provides for the payment of an annual bonus with a target amount equal to 50% of the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Mr. Sinclair's employment agreement provides that he has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units. On commencement of employment, Mr. Sinclair received (i) a one-time signing bonus of $85,000, (ii) 180,000 stock options at an exercise price of $2.00 per share, vesting as to 1/3 of such stock options on the date of grant, the first anniversary of the date of grant and the second anniversary of the date of grant, and (iii) 180,000 DSUs, vesting as to 1/3 of such DSUs on the date of grant, the first anniversary of the date of grant and the second anniversary of the date of grant. See also "Termination and Change of Control Benefits" below.

Mark Selby

Mr. Selby commenced working for the Corporation effective April 1, 2010 and became Senior Vice President, Business Development effective November 1, 2010. Mr. Selby's employment agreement provides for employment for an indefinite term with the payment of a base salary, which was $200,000 per annum for the years ended December 31, 2010 and 2011, and which is reviewed by the Compensation Committee from time to time. In December 2011, the Compensation Committee recommended, and the Board approved, an increase in base salary to $230,000 for the year ending December 31, 2012. Mr. Selby's employment agreement as amended on March 15, 2012 also provides for the payment of an annual bonus with a target amount equal to 50% of the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Mr. Selby's employment agreement provides that he has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units. On commencement of employment, Mr. Selby received (i) 175,000 DSUs, vesting as to 59,000 of such DSUs on the date of grant and as to 58,000 DSUs on each of the first anniversary and second anniversary of the date of grant, and (ii) 100,000 RSUs, vesting as to 34,000 of such RSUs on the date of grant and as to 33,000 RSUs on each of the first anniversary of the date of grant and second anniversary of the date of grant. See also "Termination and Change of Control Benefits" below.

Alger St-Jean

Mr. St-Jean became Vice President, Exploration effective April 30, 2007. Mr. St-Jean's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $175,000 per annum for the years ended December 31, 2009, 2010 and 2011, and which is reviewed by the Compensation Committee from time to time. In December 2011, the Compensation Committee recommended, and the Board approved, an increase in base salary to $210,000 for the year ending December 31, 2012. Mr. St-Jean's employment agreement as amended on March 15, 2012 also provides for the payment of an annual bonus with a target amount equal to 50% of the then current base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. On commencement of employment, Mr. St-Jean received 250,000 stock options with an exercise price of $0.35 per share, vesting as to 1/3 of such stock options on the date of grant, the first anniversary of the date of grant and the second anniversary of the date of grant. See also "Termination and Change of Control Benefits" below. Subsequent to the entering into of the employment agreement with Mr. St-Jean, Mr. St-Jean was given the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units.

Johnna Muinonen

Ms. Muinonen became Vice President, Metallurgy effective August 9, 2010. She became Vice-President, Operations effective December 16, 2011. Ms. Muinonen's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $165,000 per annum for the years ended December 31, 2010 and 2011, and which is reviewed by the Compensation Committee from time to time. In December 2011, the Compensation Committee recommended, and the Board approved, an increase in base salary to $210,000 for the year ending December 31, 2012. Ms. Muinonen's employment agreement as amended on March 15, 2012 also provides for the payment of an annual bonus with a target amount equal to 50% of the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Ms. Muinonen's employment agreement provides that she has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that she holds the award for two years, she receives a 20% increase in the number of units. On commencement of employment, Ms. Muinonen received (i) 150,000 stock options at an exercise price of $2.00 per share, vesting as to 1/3 of such stock options on the date of grant, the first anniversary of the date of grant and the second anniversary of the date of grant, and (ii) 125,000 DSUs, vesting as to 42,000 of such DSUs on the date of grant, and as to 41,500 on each of the first anniversary of the date of grant and the second anniversary of the date of grant. See also "Termination and Change of Control Benefits" below.

Incentive Plan Awards

Share-Based Awards and Option-Based Awards as at December 31, 2011

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2011, including awards granted before the most recently completed financial year.

	Option-based Awards Vested and Unvested				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)[2]**	**Market or payout value of share-based awards that have not vested ($)[3]**
Tyler Mitchelson	750,000 180,000	2.00 0.56	September 17, 2019 December 16, 2021	Nil 3,600	103,667	60,126
Fraser Sinclair	180,000 80,000	2.00 0.56	October 18, 2020 December 16, 2021	Nil 1,600	76,667	44,467
Mark Selby	150,000 80,000	2.00 0.56	April 6, 2020 December 16, 2021	Nil 1,600	114,002	66,121
Alger St-Jean	250,000 50,000 100,000 150,000 50,000 50,000	0.35 1.00 2.50 2.50 2.00 0.56	March 22, 2017 July 9, 2017 December 14, 2017 January 15, 2019 October 9, 2019 December 16, 2021	57,500 Nil Nil Nil Nil 1,000	19,333	11,213
Johnna Muinonen	150,000 50,000	2.00 0.56	August 9, 2020 December 16, 2021	Nil 1,000	55,001	31,901

Notes:

(1) The value of unexercised options was calculated using the closing price of common shares on the TSX on December 31, 2011 of $0.58 less the exercise price of options.

(2) This represents RSUs and DSUs.

(3) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2011 of $0.58.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2011 for each incentive plan award.

Name	**Option-based awards – Value vested during the year ($)[1]**	**Share-based awards – Value vested during the year ($)[2]**	**Non-equity incentive plan compensation – Value earned during the year ($)[3]**
Tyler Mitchelson	Nil	239,273	175,000
Fraser Sinclair	Nil	119,183	66,250
Mark Selby	Nil	128,929	50,000
Alger St-Jean	Nil	55,736	43,750
Johnna Muinonen	Nil	83,225	45,400

Notes:

(1) Represents the aggregate dollar value that would have been realized if the options that vested during the year had been exercised on the vesting date.

(2) This represents DSUs and RSUs. The value of share-based awards that vested during the year was calculated using the closing price of common shares on the vesting date on the TSX.

(3) Represents the cash bonuses paid to the NEOs in respect of 2011.

Share Incentive Plan

The Share Incentive Plan provides for the granting of equity-based compensation securities, including options and awards that permit the acquisition of common shares by the Share Incentive Plan's participants. The purpose of the Share Incentive Plan is to advance the interests of the Corporation through the motivation, attraction and retention of senior executives, directors, employees (including prospective employees) and consultants of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of common shares by senior executives, directors, employees and consultants of the Corporation. The purpose of the Share Incentive Plan is to significantly strengthen the link between the interests of the eligible directors, senior executives and employees of the Corporation and the interests of the shareholders of the Corporation by providing senior executives, directors, employees (including prospective employees) and consultants of the Corporation with long-term incentive tied to the long-term performance of the common shares. It is also generally recognized that share incentive plans can aid in attracting, retaining and encouraging senior executives, directors, employees and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

The Share Incentive Plan provides for the issuance of stock options ("Options" under the "Share Option Plan") and share appreciation rights, restricted shares, RSUs, DSUs, performance shares and performance share units and other equity-based awards ("Awards" under the "Other Awards Plan"). The Share Incentive Plan is administered by the Compensation Committee. The material provisions of the Share Incentive Plan are as follows:

- *Eligible Participants*. Employees, directors and officers of the Corporation and its subsidiaries, as well as any other person or company engaged to provide ongoing management or consulting services for the Corporation or a subsidiary, or any employee of such person or company (the "Participants"), are eligible to participate in the Share Incentive Plan.

- *Common Shares Subject to the Share Option Plan*. The Share Option Plan provides that the maximum number of common shares issuable upon the exercise of Options shall not exceed 15% of the issued and outstanding common shares from time to time. As a result, should the Corporation issue additional common shares in the future, the number of common shares issuable under the Share Option Plan will increase accordingly. The Share Option Plan is considered an "evergreen" plan, since the common shares covered by the Options which have been exercised shall be available for subsequent grants under the Share Option Plan. As of the date hereof, Options for the purchase of a total of 7,253,250 common shares have been granted and are outstanding under the Share Option Plan (representing 8.1% of the issued and outstanding common shares of the Corporation as of the date hereof), out of a total available of 13,290,930.

- *Common Shares Subject to Other Awards Plan*. The maximum number of common shares to be made available as Awards pursuant to the Other Awards Plan shall not exceed 10% of the issued and outstanding common shares from time to time. As of the date hereof, Awards for the acquisition of a total of 2,944,876 common shares have been granted and are outstanding under the Other Awards Plan (representing 3.3% of the issued and outstanding common shares of the Corporation as of the date hereof), out of a total available of 8,860,620.

- *Maximum Percentage of Available Securities to Insiders Under All Share Compensation Arrangements*. The aggregate number of common shares issuable to insiders under the Share Incentive Plan and any other share compensation arrangement shall not exceed 10% of the common shares issued and outstanding at any time. Insiders shall not be issued, pursuant to the Share Incentive Plan and any other share compensation arrangement, within any one year period, a number of common shares which exceeds 10% of the common shares issued and outstanding. As of the date hereof, a total of 8,809,126 common shares are issuable to insiders under granted Options and Awards, out of a total available to insiders of 8,952,962.

- *Method of Determining Option Exercise Price*. The Compensation Committee shall fix the price per common share issued pursuant to the Option at the time the Option is granted, provided that the price per common share fixed by the Compensation Committee is in Canadian dollars and shall not be less than the market price of the common shares immediately preceding the grant.

- *Calculation of Market Appreciation of Share Appreciation Rights*. The Share Incentive Plan allows the granting of share appreciation rights. Market appreciation of share appreciation rights shall be calculated as an amount equal to (a) the excess of the fair market value of a common share on the date of exercise of the share appreciation right, divided by (b) the exercise price of such right as set forth in the award agreement governing the share appreciation right, multiplied by (c) the number of common shares with respect to which the share appreciation right is exercised.

- *Vesting of Options and Option Period*. At the time of the grant of an Option the Compensation Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in instalments on such terms as to vesting or otherwise, as the Compensation Committee deems advisable. Unless otherwise determined by the Compensation Committee, Options will vest, as to one-third of Options granted, on each of the first, second and third anniversaries of the date of grant, provided that the grantee is still a Participant at that time. The option period may not exceed ten years from the time of grant.

- *Restricted Shares Issuances*. The Other Awards Plan permits the Compensation Committee to grant restricted shares to Participants. The Compensation Committee may determine when a restricted share shall vest, or have the restricted shares vest in instalment on such terms as the Compensation Committee deems to be advisable. After the restricted shares have vested and the Participant executes an award agreement, the Corporation will issue the Participant a certificate for the number of common shares granted as restricted shares. Once the Participant has the certificate, the Participant shall have the rights of a shareholder with respect to the restricted shares, subject to any restrictions or conditions as the Compensation Committee may in its discretion include in the applicable award agreement.

- *Restricted Share Units*. The Compensation Committee may grant Awards of RSUs to Participants in such amounts and subject to such terms and conditions as the Compensation Committee shall determine in its discretion. A Participant who is granted an RSU will have only the rights of an unsecured creditor of the Corporation until such time as payment in common shares, cash or other securities or property is made as specified in the applicable award agreement. On the payment date, the Participant of each RSU shall receive common shares, cash, securities or other property equal in value to the common shares or a combination thereof.

- *Deferred Share Units*. The Compensation Committee may grant Awards of DSUs to Participants in such amounts and subject to such terms and conditions as the Compensation Committee shall determine in its discretion. A Participant who is granted a DSU will have only the rights of an unsecured creditor of the Corporation until such time as payment in common shares or cash is made as specified under the applicable award agreement. A Participant is only entitled to payment in respect of the DSUs when the Participant ceases to be an employee or director of the Corporation or any affiliate thereof for any reason. At the time of grant, the Compensation Committee shall determine whether the DSUs shall be redeemed for (i) common shares only, or (ii) at the option of the Participant, common shares or the redemption value determined in accordance with the applicable award agreement of the DSUs.

- *Performance Shares and Performance Share Units*. The Compensation Committee may grant Awards of performance shares to Participants in the form of (a) common shares or (b) performance share units, in such amounts and subject to such terms and conditions as the Compensation Committee shall determine in its discretion. A Participant who is granted a performance share unit will have only the rights of an unsecured creditor of the Corporation until payment of common shares, cash or other securities or property is made as specified in the applicable award agreement. In the event that a certificate is issued in respect of an Award of performance shares in the form of common shares, such certificate shall be registered in the name of the Participant but shall be held by the Corporation or its designated agent until the time the performance shares are earned or become vested in accordance with the terms of the applicable award agreement. The Compensation Committee shall determine in its sole discretion whether performance share units shall be settled in common shares, cash, securities or other property, or a combination thereof.

- *Other Equity-Based Awards*. The Compensation Committee may grant other types of equity-based or equity-related Awards to Participants (including the grant of unrestricted common shares) in such amounts and subject to such terms and conditions as the Compensation Committee shall in its discretion determine. Such Awards may entail the transfer of actual common shares to Participants, or payment in cash or otherwise of amounts based on the value of common shares, and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of foreign jurisdictions.

- *Term of Options*. The Compensation Committee may set the term of the Options, so long as such term is not more than ten years from the date of the grant of the Option.

- *Causes of Cessation of Entitlement*. The Share Incentive Plan sets out provisions regarding the exercise and cancellation of Options and Awards if a Participant's employment terminates or a Participant otherwise ceases to be eligible under the Share Incentive Plan. Under the Share Incentive Plan, subject to any express provisions included in an employment/termination agreement with respect to an Option, which shall in no case provide for an exercise period beyond 12 months from the termination date:

  - If the Participant ceases to be eligible by reason of retirement, early retirement at the request of the Corporation, death or disability, there shall be either (i) immediate vesting of all Options and Awards if so provided for in an employment/termination agreement, or (ii) immediate vesting of the Options and Awards that would have vested in the 12 months following the effective termination date in all other cases. All vested Options and Awards shall be exercisable or redeemed during the period which is the shorter of (x) the remainder of the option period (or other applicable period in respect of Awards), and (y) 180 days after the effective date of termination.

  - If the Participant ceases to be eligible for any reason other than those specified above, there shall be either (i) immediate vesting of all Options and Awards or immediate vesting of the Options and Awards that would otherwise have vested in the 90 days following the termination date, as applicable, if so provided in an employment/termination agreement, or (ii) no accelerated vesting of the Options and Awards in all other cases. All vested Options and Awards shall be exercisable or redeemed, as the case may be, during the period which is the shorter of (x) the remainder of the option period (or other applicable period in respect of Awards), and (y) 90 days after the termination date.

- *Assignability*. Except to the extent otherwise provided in the applicable award or option agreement, no Award or Option or right granted to any person under the Share Incentive Plan shall be assignable other than by will or by the laws of descent and distribution.

- *Amendments, Suspension or Termination of the Share Incentive Plan*. The Compensation Committee may amend, suspend or terminate the Share Incentive Plan, at any time, provided that no such amendment, suspension or termination may be made without obtaining any required regulatory approvals or adversely affect the rights of any optionee or award holders who holds an Option or Award at the time of such amendment, without the consent of that optionee or award holder.

- *Amendments Without Shareholder Approval*. The Compensation Committee may make the following amendments to the Share Incentive Plan, or to any Option or Award granted under the Share Incentive Plan, without shareholder approval:

  - an amendment to the purchase price of any Option or Award, unless the amendment is a reduction in the purchase price of an Option or Award held by an insider;

  - an amendment to the date upon which an Option or Award may expire, unless the amendment extends the expiry of an Option or Award held by an insider;

  - an amendment to the vesting provisions of the Share Option Plan and Other Awards Plan and any option agreement or award agreement granted under the Share Incentive Plan;
  - an amendment to provide a cashless exercise feature to an Option or the Share Option Plan, provided that such amendment ensures the full deduction of the number of underlying common shares from the total number of common shares subject to the Share Option Plan;
  - an addition to, deletion from or alteration of the Share Incentive Plan or an Option or Award that is necessary to comply with applicable law or the requirements of any regulatory authority or a stock exchange;
  - any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Share Incentive Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Share Incentive Plan that is inconsistent with any other provision of the Share Incentive Plan, correcting grammatical or typographical errors and amending the definitions contained within the Share Incentive Plan respecting the administration of the Share Incentive Plan;
  - any amendment respecting the administration of the Share Incentive Plan; and
  - any other amendment that does not require shareholder approval as set out in the section below.

- *Amendments Requiring Shareholder Approval*. Shareholder approval will be required for the following amendments to the Share Incentive Plan:
  - any increase in the maximum number of common shares issuable as a fixed percentage of the Corporation's outstanding common shares;
  - to remove or exceed the insider participation limit;
  - to an amending provision within the Share Incentive Plan;
  - any reduction in the purchase price or the extension of the expiry of an Option or Award held by insiders; and
  - any change which would normally modify the requirements as to eligibility for participation in the Share Incentive Plan.

Termination and Change of Control Benefits

The employment agreements, as amended as of March 15, 2012, between the Corporation and the NEOs contain the following termination and change of control provisions.

If Mr. Mitchelson or Mr. St-Jean is terminated without cause, he will be entitled to a lump sum payment of a multiple of his base salary (see below). He will also be entitled to continue to participate in and be covered by the Corporation's benefit plans until the earlier of (a) the date which is one year following such termination, and (b) the date on which he commences employment with a new employer, and the Corporation will pay for up to $20,000 of outplacement services to the extent actually and properly incurred on his behalf. In the event of a change of control (as defined below) of the Corporation, and in the case of Mr. Mitchelson, a significant change in the business of the Corporation, the NEO has the right (in the case of Mr. St-Jean, for a period of six months following the change of control) to terminate his employment agreement on 30 days' notice and will be entitled to a lump sum payment of a multiple of the NEO's base salary (see below). All stock options that have been granted prior to a change of control shall automatically vest and the NEO will be entitled to exercise any such stock options.

If Mr. Sinclair, Mr. Selby or Ms. Muinonen is terminated without cause, such NEO will be entitled to payment of a multiple of the NEO's base salary (see below) in a lump sum or by salary continuation. The NEO's benefits coverage will continue until the end of the applicable compensation period (see below). In the event of a change of control (as defined below) of the Corporation, the NEO may elect, during the six month period immediately following the date of such change of control, to terminate the NEO's employment agreement by 60 days' notice and will be entitled to a lump sum payment of a multiple of the NEO's base salary (see below).

A "change of control" is defined as when any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or a natural person in his or her capacity as trustee of any of the foregoing, alone or acting in concert with any of the foregoing or combination of the foregoing, beneficially own or control, directly or indirectly, over 40% of the outstanding common shares or the votes attaching thereto of the Company. In the case of Mr. Mitchelson, a "change of control" is defined as the event where any person, firm or corporation or other entity, whether by merger, purchase or otherwise, shall acquire all or substantially all of the assets or business of the Corporation.

For illustrative purposes, if an NEO had been terminated without cause or in the case of a change of control on December 31, 2011, the applicable multiple, the compensation period for benefits, the amounts payable and the value of options and awards vested as of such date would have been as follows (after giving effect to the amendments to employment agreements that became effective on March 15, 2012):

Name	**Multiple**	**Aggregate Amount Payable for Base Salary ($)**	**Compen-sation Period for Benefits**	**Aggregate Amount Payable for Benefits ($)[(1)]**	**Option-Based Awards – Value Vested ($)[(2)]**	**Share -Based Awards – Value Vested ($)[(3)]**	**Other**
Tyler Mitchelson	3 times	1,050,000	1 year	-	3,600	413,250	up to $20,000[(4)]
Fraser Sinclair	2 times	530,000	2 years	-	533	164,509	N/A
Mark Selby	2 times	400,000	2 years	-	533	196,012	N/A
Alger St-Jean	2 times	350,000	1 year	-	57,833	70,059	up to $20,000[(4)]
Johnna Muinonen	2 times	330,000	2 years	-	333	113,761	N/A

Notes:

(1) The aggregate value of benefits was less than 10% of the total salary of each NEO for the financial year and it has been assumed that such benefits would continue for the compensation period.

(2) The value of stock options vested as of December 31, 2011 was calculated using the closing price of the common shares on the TSX on December 31, 2011 which was $0.58 per share, less the exercise price of the options.

(3) Represents DSUs and RSUs. The value of such awards vested as of December 31, 2011 was calculated using the closing price of the common shares on the TSX on December 31, 2011 which was $0.58 per share.

(4) Each of Messrs. Mitchelson and St-Jean is entitled to a payment of up to $20,000 of outplacement services to the extent actually and properly incurred on his behalf.

Director Compensation

The Corporation's compensation philosophy for directors is designed to provide competitive compensation sufficient to attract, retain and motivate highly skilled directors. Directors' compensation was reviewed by the Compensation Committee in 2011. Directors' compensation includes the following:

1. An annual retainer for each director (other than the Executive Chairman of the Board and other directors who are officers of the Corporation).

2 An annual retainer for the Executive Chairman of the Board.

3 An annual retainer for each committee Chair.

4 A meeting fee for each director for each properly called and duly constituted meeting attended (in person or by phone) by such director (other than the Executive Chairman of the Board and other directors who are officers of the Corporation).

5 An initial grant of stock options or other share-based compensation for each director upon being elected to the Board and an additional grant of stock options or share-based compensation from time to time, in each case as approved by the Board.

The annual retainer may be taken in the form of cash or, subject to the limits set forth in the Corporation's Share Incentive Plan and the recommendation of the Compensation Committee and approval by the Board, share-based compensation.

Based on the results of the Benchmarking Study, the Compensation Committee recommended and the Board approved that the annual retainer for directors target the 50th percentile and the annual equity awards target the 75th percentile of the comparator group selected for the year.

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors for the Corporation's most recently completed financial year ended December 31, 2011. Mr. Mitchelson, who is the President and Chief Executive Officer of the Corporation, does not receive any remuneration for his service as a director of the Corporation.

Name	Fees earned ($)	Share-based awards (DSUs) ($)[1]	Option-based awards ($)	All other compensation ($)	Total ($)
Peter Goudie	40,000	14,000	Nil	Nil	54,000
A. Thomas Griffis	61,250	14,000	Nil	142,282[2]	217,532
Scott M. Hand[3]	Nil	171,000	Nil	Nil	171,000
Peter C. Jones	50,000	14,000	Nil	Nil	64,000
Frank Marzoli	33,750	14,000	Nil	Nil	47,750
Gilles Masson	50,000	14,000	Nil	Nil	64,000
Darryl Sittler	38,750	14,000	Nil	Nil	52,750

Notes:

(1) The value of each DSU is equal to the closing price of the common shares on the TSX on the day prior to the grant date.

(2) This represents consulting fees paid to Mr. Griffis under an arrangement which terminated on March 31, 2012. Mr. Griffis is not standing for re-election at the Meeting.
(3) Mr. Hand elected to take his entire annual retainer of $125,000 in the form of DSUs, which are included in share-based awards.

Discussion of Director Compensation Table

Significant factors necessary to understand the information disclosed in the Director Compensation Table above include retainers and fees, and DSUs granted under the Share Incentive Plan (for more information, see "Share Incentive Plan" above).

Retainers and Fees

The Board meets annually to review the adequacy and form of directors' compensation. The following represents the director compensation arrangements in place for 2011:

Annual Board Retainer (base)[1]	$20,000
Annual Retainer for the Executive Chairman of the Board	$125,000[2]
Additional Annual retainer for Chairman of the Audit Committee	$10,000
Additional Annual retainer for Chairpersons of other Board Committees	$5,000
Board/Committee meeting attendance fee**[1]**	$1,250

Notes:
(1) Paid to all directors other than the Executive Chairman of the Board and other directors who are officers of the Corporation.
(2) The Executive Chairman elected to receive his entire 2011 annual retainer in the form of share-based awards. Prior to April 1, 2011, the Executive Chairman's annual retainer was at the rate of $225,000 per annum. It was reduced to $125,000 per annum at the Executive Chairman's recommendation.
(3) Until April 1, 2011, the Board had a Deputy Chairman of the Board who received an annual retainer at the rate of $150,000 per annum.

Share-Based Awards and Option-Based Awards as at December 31, 2011

The following table (presented in accordance with Form 51-102F6) sets forth for each director all awards outstanding at the end of the most recently completed financial year ended December 31, 2011, including awards granted before the most recently completed financial year.

	Option-based Awards Vested and Unvested				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)[2]**	**Market or payout value of share-based awards that have not vested ($)[3]**
Peter Goudie	50,000	2.00	October 9, 2019	Nil	31,334	18,174
	250,000	2.50	July 17, 2018	Nil		
	50,000	2.50	January 15, 2019	Nil		
A. Thomas Griffis[4]	600,000	0.35	March 2, 2017	138,000	31,334	18,174
	50,000	2.00	October 9, 2019	Nil		
	300,000	2.50	December 14, 2017	Nil		
	225,000	2.50	January 15, 2019	Nil		
Scott M. Hand	191,250	2.00	October 9, 2019	Nil	43,667	25,327
	500,000	2.50	June 27, 2018	Nil		
	50,000	2.50	January 15, 2019	Nil		
Peter C. Jones	50,000	2.00	October 9, 2019	Nil	31,334	18,174
	250,000	2.50	November 17, 2018	Nil		
	50,000	2.50	January 15, 2019	Nil		
Frank Marzoli	150,000	0.35	March 8, 2017	34,500	31,334	18,174
	50,000	2.00	October 9, 2019	Nil		
	100,000	2.50	December 14, 2017	Nil		
	50,000	2.50	January 15, 2019	Nil		
Gilles Masson	150,000	1.00	August 15, 2017	Nil	31,334	18,174
	50,000	2.00	October 9, 2019	Nil		
	100,000	2.50	December 14, 2017	Nil		
	50,000	2.50	January 15, 2019	Nil		
Darryl Sittler	150,000	0.35	April 10, 2017	34,500	31,334	18,174
	50,000	2.00	October 9, 2019	Nil		
	100,000	2.50	December 14, 2017	Nil		
	50,000	2.50	January 15, 2019	Nil		

Notes:

(1) The value of unexercised options was calculated using the closing price of common shares on the TSX on December 31, 2011 of $0.58 less the exercise price of options.

(2) This represents DSUs.

(3) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2011 of $0.58.

(4) Mr. Griffis is not standing for re-election at the Meeting.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director during the most recently completed financial year ended December 31, 2011 for each incentive plan award.

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards – Value vested during the year ($)(2)
Peter Goudie	Nil	13,510
A. Thomas Griffis(3)	Nil	13,510
Scott M. Hand	Nil	170,687
Peter C. Jones	Nil	13,510
Frank Marzoli	Nil	13,510
Gilles Masson	Nil	13,510
Darryl Sittler	Nil	13,510

Notes:

(1) Represents the dollar value that would have been realized if the options that vested during the year had been exercised on the vesting date.

(2) This represents DSUs. The value of share-based awards that vested during the year was calculated using the closing price of common shares on the vesting date on the TSX.

(3) Mr. Griffis is not standing for re-election at the Meeting.

OTHER INFORMATION

Securities Authorized for Issuance Under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a)) (c)
Equity compensation plans approved by securityholders:			
Options under Share Option Plan	7,241,583	$1.79	6,089,909 (1)
Awards under Other Awards Plan	2,895,793 (3)	N/A	5,991,868(2)
Equity compensation plans not approved by securityholders	—	—	—
Total	10,373,376	N/A	12,081,777

Notes:

(1) Based on Corporation's 15% "evergreen" Share Option Plan and 88,876,618 common shares issued and outstanding as of December 31, 2011.
(2) Based on the Corporation's 10% "evergreen" Other Awards Plan and 88,876,618 common shares issued and outstanding as of December 31, 2011.
(3) Awards under Other Awards Plan comprise 1,385,554 DSUs and 1,510,239 RSUs which are redeemable in cash or common shares at the option of the holder.

Indebtedness of Directors and Officers

During the most recently completed financial year and as at the date hereof, no director, proposed nominee for election as a director, officer, employee or associate of any such persons has been or is indebted to the Corporation, nor has the Corporation guaranteed any loans on behalf of any of these persons.

Interest of Informed Persons in Material Transactions

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or executive officer of the Corporation, any other informed person of the Corporation (as defined in NI 51-102), any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Royal Nickel considers good corporate governance to be central to the effective and efficient operation of its business and is committed to implementing high standards of corporate governance and reporting. The Board reviews and formulates policies with respect to corporate governance issues. Royal Nickel attempts, so far as is practical and reasonable given the nature of Royal Nickel's business and available resources, to seek to adhere to the guidelines outlined in *National Policy 58-201 – Corporate Governance Guidelines*.

Board of Directors

Composition of the Board

The Board is currently comprised of eight directors. At the Meeting, all of the directors other than A. Thomas Griffis will be standing for re-election. The Board has considered the independence of each of its directors. Consistent with *National Instrument 58-101 – Disclosure of Corporate Governance Practices* ("NI 58-101"), to be considered independent, the Board must conclude that a director has no material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship.

The Board has concluded that six directors (Messrs. Goudie, Hand, Jones, Marzoli, Masson and Sittler) are "independent" (as defined in NI 58-101) for purposes of board membership and therefore, a majority of the directors are independent. By virtue of his position as the President and Chief Executive Officer, Mr. Mitchelson is not considered independent. Mr. Griffis is not considered independent as he received compensation from the Corporation for consulting services to the Corporation until March 31, 2012.

Other Directorships

Certain directors of the Corporation are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. Information as to such other directorships is set out below.

Director	**Public Corporation**
A. Thomas Griffis	Royal Coal Corp.
Scott M. Hand	Manulife Financial Corporation Legend Gold Corp.
Peter C. Jones	Century Aluminum Company Concordia Resources Corp.
Gilles Masson	Malaga Inc. Semafo Inc. EACOM Timber Corporation
Darryl Sittler	Wallbridge Mining Company Limited Miocene Metals Ltd. Frontline Gold Corporation

Independent Directors' Meetings

The Board meets at least once each quarter, with additional meetings held as deemed necessary. A session of the independent directors is held at which non-independent directors and members of management are not in attendance at the end of each regularly scheduled Board meeting. In 2011, four board meetings were held at which such independent sessions were held.

Chair of the Board

The Board has concluded that Mr. Hand, the Executive Chairman of the Board, is an independent director. The prime responsibility of the Executive Chairman is to provide leadership to the Board to enhance Board effectiveness. The Board has ultimate accountability for supervision of management of the business and affairs of the Corporation. Critical to meeting this accountability is the relationship between the Board, management and shareholders. The Executive Chairman oversees these relationships and acts as the presiding member of the Board with a view to ensuring that these relationships are effective, efficient and further the best interests of the Corporation.

Attendance at Meetings

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. For the attendance record of each director for all Board meetings held during the financial year ended December 31, 2011, please see the table under "Business of the Meeting – Election of Directors".

Board Mandate

The Charter of the Board of Directors (the "Board Charter") sets out the roles and responsibilities to be discharged by directors. A copy of the Board Charter is attached as Appendix "A" to this Circular.

Position Descriptions

Written position descriptions have been developed by the Board for the Executive Chairman of the Board, the Chairs of the committees of the Board and the Chief Executive Officer of the Corporation. These position descriptions have been approved by the Board.

Orientation and Continuing Education

In accordance with the Corporation's policies on orientation for new directors, each new director is provided a copy of the Corporation's Director Handbook, which contains written information about the Corporation's governing documents, code of business conduct and ethics, charters and other material information about the Corporation. Directors are strongly encouraged to visit the Corporation's facilities and operations and to meet with the senior executives of the Corporation, when appropriate. Directors are also encouraged to be a member of a professional director organization and/or have a subscription with an organization that provides educational materials or corporate governance and/or director responsibilities, current trends and other relevant director information.

Code of Business Conduct and Ethics

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") to outline principles to which Royal Nickel's employees, officers and directors are expected to adhere in the conduct of the Corporation's business. The Code addresses, among other things, conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of illegal or unethical behaviour. All employees, officers and directors are expected to abide by the Code. Compliance with the Code is monitored by the CGN Committee. In order to ensure compliance with the Code, directors, officers and other employees of the Corporation may be required to provide certificates of compliance with the Code at least annually. The Code is available on SEDAR at www.sedar.com.

The Corporation has also adopted a whistleblower policy, an insider trading policy and other policies with a view to promoting a culture of ethical business conduct.

Nomination of Directors

The Corporate Governance and Nominating Committee (the "CGN Committee") assists in the identification of and recommends to the Board nominees for election or re-election to the Board, or for appointment to fill any vacancy that is anticipated or has arisen on the Board. The process by which the Board will identify new candidates for Board nomination will involve: periodically, or as frequent as deemed necessary, reviewing the appropriate skills and characteristics required of Board members to add value to the Corporation; periodically, or as frequent as deemed necessary, reviewing the current composition of the Board in light of the characteristics of independence, diversity, age, skills, experience and availability of service of its members and of anticipated needs; and seeking and reviewing individuals qualified to become members of the Board, in the context of the Corporation's needs and the criteria established by the Board.

The CGN Committee also develops and recommends to the Board the corporate governance procedures, charters and policies of the Corporation, monitors compliance with such procedures, charters and policies and assesses the effectiveness of the Board as a whole as well as the contribution of individual members.

Compensation

It is the Compensation Committee's responsibility to: develop a compensation philosophy and policy; evaluate and make recommendations to the Board regarding cash, equity-based and incentive compensation of the Corporation's directors and senior executives; review and approve the goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives and make recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; review and make recommendations to the Board with respect to the compensation of directors; make certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; and review executive compensation disclosure before the Corporation publicly discloses the information.

For information regarding the process by which the Board determines the compensation for the Corporation's senior executives, please see "Statement of Executive Compensation – Compensation Discussion and Analysis". For information regarding the process by which the Board determines the compensation for the Corporation's directors, please see "Statement of Executive Compensation – Director Compensation".

Other Board Committees

Other than the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, the Board does not have any other standing committees other than Health, Safety and Environmental Committee (the "HSE Committee"). The HSE Committee is responsible for overseeing the development and implementation of policies and management systems of the Corporation relating to environmental and health and safety issues in order to ensure compliance with applicable laws and best management practices. It is the HSE Committee's responsibility to ensure adequate resources are available and systems are in place for management of the Corporation to implement appropriate environmental, health and safety programs and to ensure that the Corporation has implemented an environmental and health and safety compliance audit program.

Board Assessments

The Board has express responsibility under the Board Charter to assess its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of its committees and individual directors. The CGN Committee is the committee responsible for establishing criteria and processes for, and leading the Board in an annual performance evaluation of the Board, its committees and individual directors. The results of the annual evaluation are then reported to the full Board by the chair of the CGN Committee.

ADDITIONAL INFORMATION

The *Canada Business Corporations Act*, which governs the Corporation, provides that shareholder proposals must be received by March 22, 2013 to be considered for inclusion in the proxy statement and the form of proxy for the annual meeting of shareholders to be held in 2013.

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2011.

In addition, copies of the Corporation's audited financial statements and MD&A may be obtained upon request to the Corporate Controller of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

BY ORDER OF THE BOARD

"*Tyler Mitchelson*"

Tyler Mitchelson
President, Chief Executive Officer and Director

Toronto, Ontario
May 10, 2012

APPENDIX "A"

CHARTER OF THE BOARD OF DIRECTORS

Royal Nickel Corporation's (the "Company" or "RNC") Charter of the Board of Directors (the "Board Charter") sets out the roles and responsibilities to be discharged by directors. The Board Charter specifies how the board of directors of the Company (the "Board") delegates authority to manage the business of the Company to management.

1.0 OVERALL RESPONSIBILITIES

The Board's mandate is to formulate the policies and procedures under which the Company operates, to oversee the conduct of the business and to monitor management of the Company. In discharging its duty of stewardship of the Company, the Board shall expressly assume responsibility for the following issues:

1.1 Culture of Integrity

To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the Company.

1.2 Strategy

Developing, reviewing and, where prudent, modifying the corporate strategy of the Company. Through the Company's Chief Executive Officer, establishing the business plan for the Company. Providing input to management on emerging trends and issues. Reviewing and approving the Company's financial objectives, plans and actions, including significant capital allocations and expenditures. Monitoring the progress against strategic and business goals, including assessing operating results to evaluate whether the Company is being properly managed.

1.3 Risks

Identifying, and developing a strategy to manage, the principal risks facing the Company. Monitoring emerging trends and issues which impact the risks of the Company.

1.4 Succession Planning

Recruiting, training, monitoring, and succession planning specifically for the Chief Executive Officer and board members as well as, with the Chief Executive Officer's recommendations, for other members of senior management.

1.5 Communications

Ensuring timely and effective communication between the Company and its shareholders and other stakeholders and adopting a communication policy.

1.6 Internal Control Systems

Ensuring the integrity of the internal control systems and assessment processes for the Company, its directors, management and employees. Ensuring ethical behaviour and compliance with laws and regulations, audit and generally accepted accounting principles, and the Company's own governing documents.

1.7 Corporate Governance

Developing the Company's approach to corporate governance issues and establishing and implementing the Company's governance system.

1.8 Material Transactions

Reviewing and approving material transactions not in the ordinary course of business. Setting a grant of authority for the Chief Executive Officer for matters outside of the approved annual budget.

1.9 Share Capital

Issuing the Company's equity.

1.10 Board Effectiveness

Assessing its own effectiveness in fulfilling the above and other Board responsibilities, including monitoring the effectiveness of its committees and individual directors.

1.11 Other

Performing such other functions as prescribed by law or assigned to the Board in the Company's governing documents.

2.0 DIRECTORS ATTRIBUTES

To execute the Board's responsibilities, directors must possess the following characteristics and traits.

2.1 Integrity and Accountability

Directors must demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on, and remain accountable for, their boardroom decisions.

2.2 Informed Judgement

Directors must be able to provide wise, thoughtful counsel on a broad range of issues. They must develop a depth of knowledge of the mining industry, in order to understand and question the assumptions upon which the strategic and business plans are based, and to form an independent judgement as to the probability that such plans can be achieved.

2.3 Financial Literacy

Directors must have a high level of financial literacy. They should know how to read financial statements, and they should understand the use of the financial ratios and other indices for evaluating the Company's performance.

2.4 Mature Confidence

Directors must value Board and team performance over individual performance. Directors must possess respect for others to facilitate Board performance.

2.5 Communication

Directors must be open to others' opinions, be willing to listen and be able to communicate persuasively. Directors must approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussion.

2.6 Track Record and Experience

Directors must bring a history of achievement that reflects high standards for themselves and others. Directors must have a proven track record of sound business judgement and good business decisions.

3.0 GENERAL

3.1 Term of Office

Directors are elected or appointed to office until the next annual shareholders meeting.

3.2 Share Ownership

Directors are encouraged to own shares of the Company and to hold such shares during their board tenure.

3.3 Orientation

Directors are required to meet with other Board members, the Chief Executive Officer, Chief Financial Officer and other members of senior management, as appropriate, upon first becoming a director of the Company. Directors are strongly encouraged to visit the Company's mine site and operational facilities and meet with senior management, when appropriate. Each director shall be provided with RNC information for reference, which information shall include the Company's governing documents, policies, code of business conduct and ethics, charters and other material information about the Company.

3.4 Continuing Education

Directors are encouraged to be a member of a professional director organization and/or have a subscription with an organization that provides educational materials or corporate governance and/or director responsibilities, current trends and other relevant director information.

3.5 Conflict of Interest

Directors are required to be free from any material interest which would affect their ability to act in the best interests of the Corporation.

3.6 Attendance

Directors are expected to attend all properly called meetings in person or by phone. As a minimum, directors are required to attend 75% of all properly called meetings.

3.7 Compensation

Directors' remuneration shall be in the form of cash and/or equity or as determined by the Board from time to time. Directors' remuneration shall be determined annually by the Company's Compensation Committee and approved by the Board.

3.8 Independent Chairman or Lead Director

Directors will appoint an Independent Chairman and/or a Lead Director. The responsibilities of the Chairman and/or Lead Director shall be confirmed by the Board.

3.9 Resignation

If any of the following events occur, a director will be expected to discuss with the Chairman and/or Lead Director and the Chairman of the Corporate Governance Committee, how he/she intends to ensure that such event does not reoccur. If, after the above action has been taken, the event reoccurs, the director will be required to tender his/her resignation. Depending on the individual circumstances the resignation may or may not be accepted.

3.9.1 Director is unable to abide by any of the Company's governing documents.

3.9.2 Director is unable to perform his/her responsibilities.

3.9.3 Director does not meet any of the required director attributes.