



ROYAL NICKEL CORPORATION

Title:	Code of Business Conduct and Ethics		
Reviewed and Updated by:	Gowling Lafleur Henderson LLP		
Approved by:	Board of Directors	Date approved:	November 9, 2012
Policy number:	GOV 1.1	Replaces policy number:	GOV 1.0

The board of directors (“**Board**”) of Royal Nickel Corporation (the “**Corporation**” or “**Royal Nickel**”) has adopted this 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 Royal Nickel’s business. This Code sets forth principles regarding individual and peer responsibilities, as well as responsibilities to other employees, the public and other stakeholders. All employees, officers and directors are expected to abide by this Code as well as any other applicable Royal Nickel policies and guidelines. **Any violations of this Code or any other policies established by Royal Nickel from time to time, may result in disciplinary action, up to and including termination of employment.**

While the Corporation has provided general guidelines, no policy can anticipate every circumstance or question. As needs arise, the Corporation reserves the right to revise, supplement or rescind any policy or portion of policy in its sole and absolute discretion.

If you have questions regarding the application of any rule or about the best course of action in a particular situation, you should seek guidance from your supervisor. The Corporation’s Chief Executive Officer and directors should seek guidance from the Chairman of the Board who shall consult, as appropriate, with the Chairman of the Corporate Governance and Nominating Committee.

1 Conflicts of Interest

All Royal Nickel employees, officers and directors will act with honesty and integrity, avoiding actual or apparent conflicts of interest in relation to their duties and responsibilities with Royal Nickel that arise as a result of either personal or professional relationships.

While it is not feasible to specify all the activities that may give rise to a conflict of interest, or an appearance of one, the following are some general guidelines regarding specific areas where such conflict might occur. These guidelines are not exhaustive and do not limit the generality of the conflict of interest policy.

A “conflict of interest” exists when a person’s private interest interferes or appears to interfere, in any way, with the interests of the Corporation. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work for the Corporation objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which an employee, officer or director or any



member of their family have an interest. Further, use of company time or resources for other matters or for a conflict of interest may be grounds for dismissal.

Conflicts of interest are prohibited as a matter of Royal Nickel policy, except under guidelines approved by the Board. Each employee, officer and director is expected to avoid any outside activity, financial interest or relationship that may present a possible conflict of interest or the appearance of a conflict. Each person is required to promptly disclose any such conflict or potential conflict of interest to his or her supervisor, and no person may engage in an activity that involves any such conflict except with the specific prior approval in writing of the Chief Executive Officer, or in the case involving a director, with the specific approval of the Board.

2 Corporate Opportunities

Royal Nickel employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or positions without the consent of the Board and from using corporate property, information or positions for improper personal gain. No Royal Nickel employee, officer or director may compete with Royal Nickel directly or indirectly. Royal Nickel employees, officers and directors owe a duty to Royal Nickel to advance its legitimate interests, before their own, when the opportunity to do so arises.

3 Confidentiality

All Royal Nickel employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Corporation and persons with whom Royal Nickel does business, except when disclosure is authorized by the Chief Executive Officer or the Chief Financial Officer or is required by law. Confidential information includes all non-public information that might be of use to competitors or harmful to Royal Nickel or the person to whom it relates if disclosed. The obligation to preserve confidential information continues even after an employee, officer or director ceases to have a relationship with Royal Nickel.

Royal Nickel employees, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of Royal Nickel's business. Compliance by all Royal Nickel employees, officers and directors with the Corporation's Insider Trading Policy, as it may be amended from time to time, is required.

4 Fair Dealing

We do not seek competitive advantages through illegal or unethical business practices. Each employee, officer and director should endeavor to deal fairly with the Corporation's clients, service providers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged, proprietary or confidential information, misrepresentation of material facts, or any unfair dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with business partners. Gifts or entertainment should not ever be offered, given, provided or accepted by any Corporation employee, officer, director or their family members unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any applicable laws or regulations. Strict rules apply



when doing business with governmental agencies and officials. Please seek advice from the Corporation's Chief Financial Officer or outside counsel regarding any gifts or proposed gifts which you are not certain are appropriate.

5 Protection and Proper Use of Company Assets

All Royal Nickel employees, officers and directors are expected to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. All of the Corporation's assets should be used only for legitimate business purposes and may never be used for illegal purposes.

The Corporation's equipment should not be used for non-Royal Nickel business, other than incidental personal use; other use requires pre-approval by an immediate supervisor. Any suspected incident of fraud, theft or other irregularity should be reported immediately to the immediate supervisor or the Chief Financial Officer for investigation.

The obligation to protect the Corporation's assets includes Royal Nickel's proprietary information. Proprietary information includes any information that is not known generally to the public or would be helpful to the Corporation's competitors. See "Confidentiality" above.

6 Equal Employment Opportunity

Royal Nickel's focus in personnel decisions is to make such decisions based on merit and/or contributions to the Corporation's success. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. The Corporation affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance.

This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee.

7 Workplace Violence and Harassment

(a) Policy and Definitions

Royal Nickel is committed to providing a workplace in which all members of the Corporation are treated with dignity and respect and are able to work in an environment free from harassment and violence. It is the policy of the Corporation to prohibit any form of violence and unlawful harassment based on race, ancestry, place of origin, colour, ethnic origin, creed, citizenship, sex, sexual orientation, age, record of offences, marital status, family status, disability or any other prohibited ground of discrimination. In addition, the Corporation's policy also prohibits any other type of harassment. Such conduct, while perhaps not unlawful, is considered unacceptable in our workplace. The objective of this policy is to provide a work environment that fosters mutual employee respect and working relationships free of harassment and violence. The Corporation's policy specifically prohibits any form of harassment or violence by or toward employees, contractors, suppliers, clients and others.

Under the Corporation's policy, harassment is any inappropriate conduct that has the purpose or effect of:



- creating an intimidating, hostile, or offensive work environment;
- unreasonably interfering with an individual's work performance; or
- affecting the individual's employment opportunity.

Forms of harassment include, but are not limited to:

- unwelcome verbal or physical advances,
- sexually, racially or otherwise derogatory or discriminatory materials, statements or remarks,
- remarks, jokes or innuendos that demean, ridicule, intimidate or offend,
- displaying or circulating offensive pictures or materials in print and electronic form,
- bullying,
- repeated offensive or intimidating phone calls or e-mails,
- inappropriate sexual touching, advances, suggestions or requests.

Any threats or acts of violence or harassment will not be tolerated.

Harassment

- Workplace harassment is engaging in a course of vexatious comment or conduct against an employee in a workplace that is known or ought reasonably to be known to be unwelcome.

Types of Harassment:

Sexual Harassment generally refers to:

- unwanted sexual advances including: sexually graphic comments or epithets; derogatory gestures or looks; unwanted sexual flirtations or propositions; unnecessary/unwanted physical contact; threats of harm or violence; slurs; derogatory or demeaning posters; cartoons, graffiti or drawings; offensive jokes, e-mail or voice mail; or display of sexually suggestive pictures;
- implied or expressed promises of reward or benefit for complying with a sexually oriented request;
- implied or expressed threats of reprisal in the form of either actual reprisal or denial of opportunity for refusal to comply with a sexually oriented request.

Racial Harassment may consist of:

- any of the following that are about or motivated by a person's race, colour, citizenship or national origin: unwanted actions; derogatory comments; slurs; derogatory or demeaning posters; cartoons, graffiti or drawings; offensive jokes, e-mail or voice mail; innuendoes; taunting; threats of harm or violence; intimidating or threatening gestures; physical interference with normal work or movement; or assault.

Other Harassment

Any of the following that are about or motivated by a person's race, ancestry, place of origin, colour, ethnic origin, creed, citizenship, sex, sexual orientation, age, record of offences, marital status, family status, disability or any other prohibited ground of discrimination: unwanted actions; derogatory comments; slurs; profanity; derogatory or demeaning posters, cartoons, graffiti or drawings; offensive jokes, e-mail or voice mail; innuendoes; taunting; unnecessary/unwanted physical contact; threats of harm or violence; intimidating or



threatening gestures; yelling; slamming doors; throwing objects; physically impeding or blocking movements; physical interference with normal work or movement; or assault.

Work-related conduct, such as candid feedback from a supervisor regarding work performance or counselling for poor attendance, is not harassment.

A *Poisoned Work Environment* may be created by any of the following or other activities that result in an intimidating, hostile or offensive atmosphere or that intrude upon a person's dignity: slurs; profanity; derogatory or demeaning posters, cartoons graffiti or drawings; offensive jokes, e-mail or voice mail; offensive literature (e.g., pinups); or derogatory comments. A poisoned environment is a form of harassment that may not be directed at any one individual but by nature is considered offensive and is therefore prohibited. Any employee can create a hostile work environment through unwelcome, offensive conduct.

Workplace Violence includes:

- the exercise of physical force by a person against an employee, in a workplace, that causes or could cause physical injury to the employee;
- an attempt to exercise physical force against an employee, in a workplace, that could cause physical injury to the employee;
- a statement or behaviour that it is reasonable for an employee to interpret as a threat to exercise physical force against the employee, in a workplace, that could cause physical injury to the employee.

(b) Assessing Your Behaviour

Harassment may occur as a result of a single encounter or a series of incidents. Behaviour constituting harassment is often a matter of perception and interpretation. Tolerance for what is considered acceptable behaviour may vary widely among individuals. As a general rule, harassment is considered to have taken place if a person knows or ought reasonably to know the behaviour is unwelcome.

A good rule to follow is: if there is any question in your mind about whether your behaviour or comment might be harassing, don't do it or say it.

If you have any questions about what constitutes harassing behaviour or an act of workplace violence, please contact your supervisor.

(c) Complaint Resolution Process

Informal Resolution – Confronting Unwelcome Behaviour

Employees are encouraged to warn offenders when they observe or experience behaviour that could be perceived as harassing or violent, if they feel comfortable doing so. The employee should be direct and candid and should clearly communicate that the behaviour is unwelcome, offensive and must stop. The employee should document the incidents and the communication with the offender, and retain the documentation for future use if the behaviour does not stop.



Formal Complaint Option - Filing a Complaint

If the employee does not feel comfortable confronting the offender or if the behaviour continues, the employee should file a complaint. Employees who believe they are being subjected to harassment or workplace violence should contact their supervisor or another supervisor with whom they feel comfortable, for advice and assistance. The employee should complete a written complaint setting out the details of the incident or incidents, including dates and times and the names of any witnesses.

Employees are protected from retaliation for reporting incidents of harassment or workplace violence. Retaliation is a serious violation of this policy and should be reported immediately. Any person found to have retaliated against another individual for reporting violence or harassment or participating in an investigation will be subject to disciplinary action. This protection does not extend to deliberate fabrications.

Complaint Investigations

The working relationship between two people can be damaged as a result of a complaint being lodged, therefore it is important to focus discussions on conflict resolution and to resolve the issue as quickly as possible. The Chief Executive Officer and Chief Financial Officer are responsible for ensuring that complaints are responded to in a manner that is consistent with the Corporation's policy.

The Chief Executive Officer or Chief Financial Officer will, upon reviewing the complaint and interviewing the complainant, determine whether or not the complainant has a valid complaint under the Policy that merits further investigation. He/she will inform the complainant whether or not an investigation will be conducted. When warranted, the Chief Executive Officer or Chief Financial Officer will conduct an investigation or form a team and conduct an investigation. Witnesses will be interviewed and documents reviewed by the investigator or investigative team as the case may be. Individuals participating in investigations will be protected from retaliation. Results of an investigation will be shared only with those individuals with a need or right to know about the complaint.

Corrective Action

The investigator or investigative team as the case may be will determine if a policy violation has occurred and make a recommendation to the Chief Executive Officer and Chief Financial Officer. The Chief Executive Officer or Chief Financial Officer will evaluate the investigation findings and recommendation. The Chief Executive Officer or Chief Financial Officer will communicate the outcome of the investigation to the complainant and the respondent. The Chief Executive Officer or Chief Financial Officer will implement corrective actions and impose discipline, when appropriate. Any corrective action and discipline will ultimately depend upon the nature of the incident(s) and the surrounding circumstances. Any breach of this policy may result in disciplinary action, up to and including termination of employment for cause. Specific disciplinary actions will not be disclosed to a complainant.

Any negative employment consequences which are found to have resulted from violence or harassment will be rectified as far as possible.



(d) Responsibilities

You are encouraged to assist Royal Nickel in its attempts to prevent harassment and violence in the workplace by treating your co-workers with courtesy and respect.

Every employee is responsible for adhering to the Corporation's respect in the workplace policy while at work and in those off-the-job situations where they may be viewed as a company representative.

Any employee who observes or becomes aware of harassment or workplace violence should immediately advise their supervisor or another supervisor. No employee should assume that the Corporation is aware of a problem. All complaints and concerns should be brought to the attention of the Corporation's management so that steps can be taken to correct them.

If a supervisor receives a complaint of violence or harassment or is otherwise aware of or informed of a threatening, violent or harassing situation, she/he must inform the Chief Executive Officer and Chief Financial Officer immediately.

Abuse of the policy by using it as a means of falsely accusing or discrediting colleagues will not be tolerated.

(e) External Recourses

Employees who believe they are being subjected to harassment have the right to file an application (complaint) with the human rights tribunal of their province of residence. Employees who believe that they have been subjected to a threat or act of workplace violence or harassment may contact the ministry of labour in their province of residence.

8 Use of Internet and Email Services

Email and internet services are provided by Royal Nickel to assist Royal Nickel employees and officers in carrying out their work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. Royal Nickel employees and officers may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, derogatory messages based on racial or ethnic characteristics or any other messages that could reasonably be viewed as harassment. Flooding Royal Nickel's system with junk mail and trivia hampers the ability of Royal Nickel's system to handle legitimate Royal Nickel business and is prohibited.

Messages (including voice-mail) and computer information sent, received or created by Royal Nickel employees and officers are considered Royal Nickel property and Royal Nickel employees and officers should recognize that these messages and information are not "private". Unless prohibited by law, Royal Nickel reserves the right to access and disclose those messages and information as necessary for its business purposes. Royal Nickel employees and officers should use good judgment and not access, send messages or store any information that they would not want to be seen or heard by others.



9 Compliance with Laws, Rules and Regulations

Royal Nickel is subject to a number of laws, rules and regulations with respect to the conduct of its business. Royal Nickel actively promotes compliance with all laws, rules and regulations in each jurisdiction in which it conducts business.

All Royal Nickel directors, officers and employees are expected to comply with the letter and spirit of all applicable laws, rules and regulations of all federal, provincial, local and foreign governments, and other appropriate private and public regulatory agencies. This Code does not purport to address all areas of law that employees, officers and directors might encounter in the day-to-day business of Royal Nickel; however, the following areas are worth specifically mentioning.

Human Rights Laws

Royal Nickel values the diversity of its employees and others with whom it does business. The Corporation is committed to complying with all applicable human rights laws.

Privacy Laws

Royal Nickel is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and employees. Directors, officers and employees who have access to personal information are expected to support Royal Nickel's efforts to develop, implement and maintain procedures and policies designed to manage personal information.

Health and Safety Laws

Royal Nickel is committed to providing a safe and healthy work environment and complies with all applicable health and safety laws and regulations as part of this commitment. Employees have a responsibility to maintain this work environment. In this regard, employees are expected to work in a safe manner and wear all safety equipment and follow all safety precautions with due regard for their personal safety as well as that of their co-workers and to report accidents, injuries, hazardous equipment and unsafe practices immediately to their supervisor. Supervisors must follow up and remedy, if appropriate, any such reports.

Environmental Laws

Cognizant of its responsibility to the environment, Royal Nickel strives to conform with all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Directors, officers and employees are expected to support Royal Nickel's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.

Securities Laws

Royal Nickel is committed to protecting shareholder investments and expects all directors, officers and employees to comply with all applicable reporting obligations and trading restrictions imposed by Royal Nickel, and by each applicable securities commission and stock exchange. Directors, officers and employees who are in possession of material information about Royal Nickel must not trade in securities of Royal Nickel until such information is generally and publicly available. Providing inside information to others who then trade on it is also strictly prohibited. Directors, officers and employees should make themselves familiar with Royal Nickel's Insider Trading Policy.

Competition Laws

Competition laws are enacted to limit practices that are seen to impair the function of a free and



open marketplace. A complete description of these laws is beyond the scope of this Code, however, they include: price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Directors, officers and employees having regular dealings with customers and suppliers should become familiar with the laws applying to these practices, as non-compliance can result in severe penalties being imposed on both Royal Nickel and the individuals involved.

10 Accuracy of Company Records and Reporting

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions. Royal Nickel's accounting records are relied upon to produce reports for Royal Nickel's management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and Royal Nickel's system of internal controls.

All employees have a responsibility to ensure that Royal Nickel's accounting records do not contain any false or intentionally misleading entries. Royal Nickel does not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

11 Reporting of Any Illegal or Unethical Behaviour

Royal Nickel has a strong commitment to the conduct of its business in a lawful and ethical manner. Royal Nickel employees, officers and directors are expected to talk to supervisors, senior management or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of Royal Nickel not to allow retaliation for reports of misconduct by others made in good faith. It is, at the same time, unacceptable to file a report knowing that it is false. All Royal Nickel employees, officers and directors are required to cooperate in internal investigations of misconduct. Reference should also be made to the Corporation's Complaint (Whistle Blower) Policy, as it may be amended from time to time.

12. Compliance Procedures

In order to ensure ongoing compliance with this Code, directors, officers and other employees of Royal Nickel may be required to provide certificates of compliance with this Code from time to time.

All Royal Nickel's employees, officers and directors must work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that there is a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will help you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense - if something seems unethical or improper, it probably is.



- Clarify your responsibility and role. Are you qualified to do what is being asked? In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with Supervisor or Senior Management. This is the basic guidance for all situations. In many cases, your supervisor or senior management will be more knowledgeable about the question, and will appreciate being brought into the decision-making process.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. Royal Nickel does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

TOR_LAW\7661866\5