

TORONTO, Aug. 4, 2015 /CNW/ - Royal Nickel Corporation ("RNC") (TSX: RNX) is pleased to announce that it has executed a memorandum of understanding ("MOU") with a joint venture of Duro Felguera S.A. ("DF") and its strategic alliance partner Ausenco Canada ("Ausenco"), pursuant to which DF-Ausenco will perform the work required to complete an EPC Lump Sum Turnkey Proposal ("EPC Proposal") for the Dumont Nickel Project.

RNC has agreed to award to the DF-Ausenco alliance the engineering, procurement, construction and services agreement for the Dumont Project if certain technical and commercial parameters are met, including delivery of a lump sum turnkey proposal no later than December 15, 2015. The EPC Proposal must not exceed \$C911 million for the defined scope of work, and will contain a Project Performance Guarantee related to cost and schedule for completion. During the preparation of the EPC Proposal, DF-Ausenco will also make reasonable commercial efforts to reduce this not to exceed value, if possible.

The EPC Proposal covers 72% of the total capital cost outlined in the Dumont Feasibility Study published July 25, 2013. The cost of the remaining scope of work which will not be covered by the EPC Proposal had a value of \$C423 million in the feasibility study. The combined value of the EPC proposal and RNC's remaining scope of work is estimated to be \$US 1.07 billion (based on an exchange rate of US\$/CDN\$ 0.80).

Mark Selby, President and CEO of RNC commented, "We are proud to have concluded this important agreement with the DF-Ausenco alliance, two world-class companies involved in major mining projects worldwide with a successful track record of project delivery. With the capital cost covered by the EPC Proposal and a further 10% of the capital cost fixed once mining equipment orders are placed, we can significantly de-risk the project by having more than 80% of the project's capital cost fixed at the point when we start construction. This certainty and project performance guarantees provides significant benefit to advance the completion of our financing package."

DF added, "We are proud to have reached an agreement with RNC to participate in this interesting project which reflects DF's commitment to the Canadian market. Dumont is pooling together two companies with a reliable track record in similar projects who have recently signed an agreement to form a strategic alliance and together with the experienced team of RNC, the project will be undoubtedly successful."

Ausenco CEO Zimi Meka commented, "We've been working on Dumont for the last three years and have a great relationship with RNC and a very strong understanding of the project. We are confident the alliance will progress to the next stage given the quality nature of the project and combined strength of the DF-Ausenco offering and expertise. We have an extensive track record of delivering complex, large and quality projects within some of the lowest capital cost benchmarks in the world."

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the acquisition, exploration, evaluation and development of base metal and platinum group metal properties. RNC's principal asset is the Dumont Nickel Project strategically located in the established Abitibi mining camp, in the municipalities of Launay and Trécesson, 25 kilometres northwest of Amos, Quebec. RNC also owns interests in two advanced stage nickel exploration properties: the Aer-Kidd project near Sudbury, Ontario and the West Raglan project in northern Quebec. RNC has a strong management team and Board with over 100 years of mining experience in the nickel business at Inco and Falconbridge. RNC's common shares and warrants trade on the TSX under the symbols RNX and RNX.WT.

Cautionary Statements Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the liquidity and capital resources of RNC, the outlook for the nickel market, key milestones for 2015 to 2018, including the potential of the Aer-Kidd and West Raglan projects.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. There are no assurances that Dumont, or any of RNC's other property interests, will be placed into production. Factors that could affect the outcome include, among others: the inability to raise the funds necessary to achieve the milestones or complete development of Dumont and inability to raise the funds necessary to advance exploration activities; the actual results of development activities at Dumont and exploration activities at Aer-Kidd and West Raglan; project delays; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at www.sedar.com.

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ materially

from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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