

TORONTO, Aug. 7, 2015 /CNW/ - Royal Nickel Corporation ("RNC") (TSX: RNX) announces its review of activities and financial results for the quarter ended June 30, 2015. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2015, unless otherwise noted.

Mark Selby, President and CEO, commented, "Critical progress was made on the Dumont project during the second quarter with receipt of the main environmental permit and the appointment of Swedbank as advisors for the contemplated senior bond financing of approximately US\$600 million. We continue to work towards completing the capital raising phase of the project in a timely manner to allow us to begin construction activities by early 2016, subject to nickel market conditions. Dumont is well positioned as one of the very few shovel ready nickel projects in a tightening market."

Mr. Selby continued, "Subsequent to the end of the second quarter, we closed a \$13 million royalty and private placement financing with Orion Mine Finance, a leading global mining investor. The financing will allow us to advance our efforts on a number of fronts, including the generation of bulk samples of roasted concentrate to confirm concentrate roasting as a lower cost processing alternative for the Dumont project. At West Raglan the 2015 field exploration program is underway following the closing of a \$3.6 million private placement financing in June. I believe our ability to close two recent financings in a difficult market are strong endorsements of the quality of RNC's projects."

Second Quarter and Recent Highlights

- On August 4, 2015, RNC announced it had executed a memorandum of understanding with Duro Felguera S.A. ("DF") and Ausenco Canada ("Ausenco"), pursuant to which DF-Ausenco will perform the work required to complete an EPC Lump Sum Turnkey 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 C\$911 million for the defined scope of work, and will contain a Project Performance Guarantee related to the cost and schedule for completion. DF-Ausenco will also make reasonable commercial efforts to reduce this not to exceed value, if possible.
- On July 30, 2015, RNC announced the receipt of a positive Environmental Assessment Decision for the Dumont Nickel Project from the Federal Minister of the Environment. The Minister determined that the project is not likely to cause significant adverse environmental effects with the implementation of mitigation measures outlined in the Comprehensive Study Report and has therefore referred the project back to the responsible authorities, Fisheries and Oceans Canada and Natural Resources Canada, for the issuance of permits.
- On June 29, 2015, RNC announced a royalty and private placement transaction with Orion Mine Finance (Orion), which closed July 8, 2015. RNC received gross proceeds of US\$10.0 million (C\$12.6 million) from Orion in exchange for a 0.75% net smelter return royalty in the Dumont Nickel Project and 10 million RNC common shares, issued at \$0.395 per share. RNC has the right to repurchase 50% of the royalty (0.375%) for a cash payment of US\$15.0 million on the third, fourth or fifth anniversary of the closing.
- On June 25, 2015, RNC announced it had received the main environmental permit, the Certificate of Authorization, for the Dumont Nickel Project from the Quebec Ministry of Sustainable Development, Environment and the Fight Against Climate Change. This authorization is the most significant permit for mining projects in Quebec and positions Dumont to proceed to construction upon completion of financing.
- On June 22, 2015, RNC announced it had appointed Swedbank Norway (Swedbank) as advisors for the contemplated senior bond financing of approximately US\$600 million with a five year maturity for the Dumont Nickel Project. Swedbank will work closely with RNC with respect to arranging the senior project bond finance facility and support RNC efforts in international markets to secure the additional equity and other capital required to complete the financing.
- On June 17, 2015, RNC announced its plans for the 2015 exploration season at its 68% owned (following the completion of the June 12, 2015 financing) West Raglan nickel sulphide project located in northern Quebec.
- On June 12, 2015, RNC closed a brokered private placement of 8,571,428 flow-through shares at a price of \$0.35 per flow through share and 2,391,638 units at a price of \$0.275 per unit, for aggregate proceeds of \$3.0 million and \$0.6 million respectively ("the Offering"). Each unit is comprised of one common share of RNC and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.375 and entitles the holder thereof to acquire one common share of RNC on or before June 12, 2017.
- On May 5, 2015, RNC was awarded the provincial Silver Medal for small and medium businesses in the Innovation category at the "Les Grands Prix santé et sécurité du travail" ceremony sponsored by the Quebec Occupational Health and Safety Commission (CSST). RNC was recognized for the development and implementation of a system that reduces the exposure of workers to vibrations during drilling.
- RNC incurred a net loss of \$1.2 million (\$0.01 per share) for the three months ended June 30, 2015, compared to a net loss of \$3.0 million (\$0.03 per share) for the same period in 2014.

Targeted Future Milestones

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

- Completion of partnership and financing arrangements;
- Estimated construction schedule of 24 months post successful permitting, securing financing and completion of detailed engineering;
- Project commissioning is expected to begin in ten to eleven quarters after permits and financing are in place

Financial Results

For the three months ended June 30, 2015, RNC incurred a net loss of \$1.2 million (\$0.01 per share), compared to a net loss of \$3.0 million (\$0.03 per share) in the same period in 2014. The net loss decrease of \$1.8 million is due primarily to lower general and administrative expenses (\$1.7 million).

RNC continues to closely monitor market conditions and will continue to manage cash prudently in light of these conditions.

Highlights of RNC's financial position are as follows (in millions of dollars):

	June 30, 2015	December 31, 2014
Cash position ¹	5.6	2.9
Working capital ²	3.1	1.2
Tax credits receivable ³	0.3	0.5
Total assets	81.5	80.3
Equity attributable to RNC		
shareholders	64.6	63.2

¹ Includes cash and cash equivalents.

² Working capital is a measure of current assets less current liabilities

³ Current portion of tax credits receivable is \$0.2 million (2014: \$0.4 million) and non-current portion is \$0.1 million (2014: \$0.1 million)

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 West Raglan and Aer-Kidd 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.

SOURCE Royal Nickel Corporation

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