

TORONTO, June 20, 2016 /CNW/ - Royal Nickel Corporation ("RNC") (TSX: RNX) announces that 3,296 ounces of payable gold was produced from its most recent toll of Beta Hunt production including 1,939 payable ounces from the first two production stopes which have been brought online. This toll also included approximately 200 ounces from mined material grading in excess of 15 g/t from the existing Hand of Faith ("HOF") area and a newly discovered high grade area known as "Mr. Smith".

June production is expected to be approximately 2,800 - 3,000 payable ounces of gold (a 34 - 36,000 ounce annualized production rate) and payable production in the second quarter of 2016 is expected to be approximately 6,400 - 6,600 ounces. Current production rates are consistent with our 2016 production guidance of 35 - 45,000 ounces of gold.

"At this point in time, when Australian dollar gold prices are near all-time highs, I am pleased that in just six months since gold development commenced at Beta Hunt, the mine is operating at a 34 - 36,000 ounce annualized gold production run rate. It is also important to note that we have made the transition to mining a significant portion of production from stopes rather than development areas. I look forward to the second half of the year as grades and production volumes increase towards our 60koz year-end target production rate as additional stopes in A Zone and Western Flanks are brought online and our drilling program accelerates to achieve our targets of upgrading and expanding the gold resource base." said Mark Selby, President and CEO of RNC.

Toll Results

Toll milling of gold under the new arrangement with HBJ Minerals Pty Ltd (a subsidiary of [Metals X Ltd.](#)) occurred from May 20 to June 6, 2016, producing 3,296 ounces of gold from 51,412 tonnes at an average grade of 2.2 g/t at a 91% recovery. 22,995 tonnes of this material was mined from the first two production stopes at an average grade of 2.6 g/t

For the balance of the tolling campaign since RNC's last update (initial results provided in RNC news release on May 30, 2016), the processed material was made up of a mixture of material from low grade development areas, stope areas, and high grade material from the Mr. Smith and HOF areas. Over the course of the toll campaign, head grades ranged from 1.2 to 3.3 g/t. On days when the mill processed material over 2.5 g/t, recoveries of 93-95% were achieved, in line with expected recoveries for life of mine grades. The high nugget content of some of the material (which can make grade prediction of individual parcels of gold production challenging) was evident from a large number of larger gold nuggets that were recovered during this latest mill toll (see Figure 1).

RNC is fortunate to have a range of potential options for treatment of gold production from Beta Hunt and is evaluating these options to determine the best long-term milling solution including the potential for a small on-site processing facility to process high grade material. Given the relative price performance of nickel and gold, RNC continues to evaluate what level of nickel production will be maintained going forward and whether resources will be redeployed towards higher gold production

Development of Second High Grade Area at Beta Hunt

RNC is also pleased to announce that mining successfully commenced in a second area "Mr Smith" with significant coarse visible gold. The latest intersection continues to confirm the potential from multiple bonanza-grade drill hole intersections identified during previous drilling (see RNC news release, April 4, 2016)

Following on from the successful approach employed in mining the HOF zone, development targeted historical drill hole BE19-292 which intersected 15.0m @ 114.3g/t Au (3.7 oz/t - uncut) including 1.6m of 1041 g/t Au which contains an intersection of 0.07m @ 23,000 g/t Au (739.5 ozs/t); known as the Mr Smith area.

Compliance Statement (JORC 2012 and NI 43-101)

The technical information in this news release relating to results at the Beta Hunt Mine is based on information compiled by Steve Devlin, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Devlin is a full time employee of Salt Lake Mining Pty Ltd and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results".

The disclosure of scientific and technical information contained in this news release has also been approved by Alger St-Jean, P. Geo., Vice President Exploration of RNC and Johnna Muinonen, Vice President Operations of RNC, both Qualified Persons under NI 43-101.

About Royal Nickel Corporation

Royal Nickel Corporation is a multi-asset mineral resource company focused primarily on the acquisition, exploration, evaluation

and development of base metal and precious metal properties. RNC's principal assets are its majority stake in the producing Beta Hunt nickel and gold mine in Western Australia and the Dumont Nickel Project located in the established Abitibi mining camp in Quebec. RNC also owns a majority interest in the West Raglan and Qiqavik projects 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. RNC also trades on the OTCQX market under the symbol RNKLF.

About SLM

SLM is a private company based in Australia focused on developing mineral properties. Its main asset is the Beta-Hunt nickel-gold mine located in Western Australia.

Cautionary Statement

The decision by SLM to produce at the Beta Hunt mine was not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. It is further cautioned that the PEA is preliminary in nature. No mining feasibility study has been completed on Beta Hunt. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to RNC further increasing its ownership of SLM and the potential of the Beta Hunt Mine.

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. Factors that could affect the outcome include, among others: failure of the parties to sign definitive agreements and satisfy conditions of closing; future prices and the supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash costs, failure to obtain regulatory or shareholder approvals. 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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