

TORONTO, July 6, 2016 /CNW/ - Royal Nickel Corporation ("RNC") (TSX: RNX) announces the discovery of a significant new gold zone at its Beta Hunt mine in Western Australia. This is the third major gold zone at the mine.

The new gold zone has been named the Fletcher shear zone ("Fletcher"), which is parallel to the existing Western Flanks and A zones. Fletcher was intersected by drill hole WF14-98 specifically designed to test this previously unknown mineralized shear zone and was co-funded by the Government of Western Australia as part of its Exploration Incentive Scheme.

"The upside exploration potential of Beta Hunt is underscored by the results from the latest drill hole which not only discovered the Fletcher shear zone - the third major gold zone at Beta Hunt - but also returned wider and higher grade intersections than the current block model when it intersected the existing Western Flanks zone. Fletcher lies within 300 metres of existing development and has the potential to significantly increase gold resources at Beta Hunt as the structure is similar in width to the existing Western Flanks zone. It also has the potential to extend over 2 km from the Alpha Island Fault to the northwest sub-lease boundary," said Mark Selby, President and CEO of RNC.

#### New Gold Zone - Fletcher

Drill hole WF14-98 intersected a previously unknown mineralised shear system &ndash; the Fletcher shear zone &ndash; from 717m to 751m (Figure 1). Fletcher is dominated by biotite-albite-pyrite-quartz mineralogy and occurs in the targeted position of the Fletcher Trend off-set (Figure 2).

In the newly discovered Fletcher structure, two distinct lodes containing over 24m of gold mineralization in excess of 2g/t were intersected:

Lode A returned results of 8.9 m of 2.67 g/t from 716.6 metres including:

- 3.1 m @ 3.1 g/t from 716.6 m, including 1.0 m @ 6.5 g/t from 718.0 m
- 4.4m @ 3.1 g/t from 722.4 m

Lode B returned results of 15.8 m of 2.32 g/t from 736.5 metres including:

- 6.8m @ 3.8 g/t from 739.1m, including 1.1 m of 7.4 g/t from 744.8 m

The mineral potential of the Fletcher Trend was first highlighted by WMC in 1994. This trend represents an extension of the Fisher nickel deposit to the north and can be traced to the north side of the Alpha Island Fault ("AIF"). Its position is based on the distribution of mineralized intersections south of the Fisher deposit (outside of the Beta Hunt lease) and is interpreted as a nickel-rich, komatiite channel. Within the Beta Hunt sub-lease, the Fletcher Trend remained untested, with the exception of one historic drill traverse. This surface drill traverse (targeting nickel sulphides) showed the Fletcher Trend to represent a 100m plus normal fault offset of the basal ultramafic/basalt contact. This historic drill hole (KD1237W1) did not intersect the Fletcher shear, however it did reveal gold mineralization indications proximal to the interpreted shear position returning 11.5m @ 1.4g/t Au and 1m @11.5g/t.

The discovery of the Fletcher Zone also provides a focus for targeting nickel mineralization at the top of the Shear on the Ultramafic/basalt contact. The analogy used is the A Zone Shear where the bulk of 33kt of nickel metal mined from Hunt mine by WMC came from directly above the A Zone Shear.

Drill hole WF14-98 was completed on June 29, 2016 at a depth of 858.5m and was designed to test for gold mineralization associated with the Fletcher Trend. The hole was jointly funded by the Government of Western Australia under the Exploration Incentive Scheme. SLM Geologists interpreted the Fletcher Trend as a structural analogue to both the A Zone and Western Flanks lodes which are both associated with normal faulting.

#### Western Flanks

WF14-98 was designed to also intersect the existing Western Flanks resource and successfully encountered the lodes returning wider intersections and higher grades than predicted by the current block model. The following table summarizes the results and Figure 3 illustrates the significance of the results relative to the existing model. The total grade multiplied by downhole thickness for the Western Flanks intersections in WF14-98 is 116.5 g/t x m, which is 60% larger than the same parameter for the Western Flanks lodes estimated in the block model of 72.8 g/t x m.

In addition to the mineralized zones that correspond to the Western Flanks, an intersection of 6.5m @ 4.5g/t Au was encountered 25m to the east of the modelled Western Flanks resource. This intersection represents a potential addition to the current resource model (Fig. 3).

Table 1

|              | Resource Model        |          |          |      | Drilling Results |          |          |      |
|--------------|-----------------------|----------|----------|------|------------------|----------|----------|------|
| Lode         | Downhole              | Downhole | Interval | Gold | Downhole         | Downhole | Interval | Gold |
|              | From (m)              | To (m)   | (m)      | g/t  | From (m)         | To (m)   | (m)      | g/t  |
| Domain<br>11 | 188.00                | 194.00   | 6.00     | 2.41 | 180.00           | 191.00   | 11.00    | 2.56 |
|              | New zone not in model |          |          |      | 193.50           | 198.80   | 5.30     | 4.71 |
| Domain<br>12 | 202.00                | 214.00   | 12.00    | 3.94 | 201.30           | 210.60   | 9.30     | 2.28 |
| Domain<br>13 | 218.00                | 222.00   | 4.00     | 2.77 | 214.00           | 228.00   | 14.00    | 3.01 |
|              | New zone not in model |          |          |      | 252.3            | 258.85   | 6.55     | 4.46 |

1. All downhole intervals. True thickness to be determined
2. All gold assays cut as per resource block model estimation parameters.

Table 2: Significant assay results from WF14-98

|                            | Downhole | Downhole | Interval | Gold  |
|----------------------------|----------|----------|----------|-------|
|                            | From (m) | To (m)   | (m)      | g/t   |
| Western Flanks - Domain 11 |          |          |          |       |
|                            | 180.00   | 191.00   | 11.00    | 2.56  |
| including                  | 180.00   | 183.90   | 3.90     | 4.38  |
| Western Flanks - New zone  |          |          |          |       |
|                            | 193.50   | 198.80   | 5.30     | 4.71  |
| including                  | 193.50   | 194.10   | 0.60     | 5.43  |
| and                        | 197.20   | 198.00   | 0.80     | 26.20 |
| Western Flanks - Domain 12 |          |          |          |       |
|                            | 201.30   | 210.60   | 9.30     | 2.28  |
| including                  | 201.60   | 201.90   | 0.30     | 9.11  |
| and                        | 208.80   | 209.10   | 0.30     | 9.78  |
| and                        | 209.80   | 210.00   | 0.20     | 20.20 |
| Western Flanks - Domain 13 |          |          |          |       |
|                            | 214.00   | 228.00   | 14.00    | 3.01  |
| including                  | 222.00   | 224.00   | 2.00     | 5.72  |
| Western Flanks - New zone  |          |          |          |       |
|                            | 252.3    | 258.85   | 6.55     | 4.46  |
| including                  | 254.80   | 255.30   | 0.50     | 5.38  |
| and                        | 258.25   | 258.85   | 0.60     | 23.40 |
| Fletcher Trend - Lode A    |          |          |          |       |
|                            | 716.60   | 725.50   | 8.90     | 2.67  |
| including                  | 718.00   | 719.00   | 1.00     | 6.46  |
| and                        | 721.10   | 721.60   | 0.50     | 7.53  |
| and                        | 723.2    | 723.7    | 0.5      | 4.62  |
| and                        | 724.50   | 725.50   | 1.00     | 5.66  |
| Fletcher Trend - Lode B    |          |          |          |       |
|                            | 736.50   | 752.30   | 15.80    | 2.32  |
| Including                  | 739.1    | 745.9    | 6.80     | 3.77  |
| including                  | 740      | 740.4    | 0.4      | 7.02  |
| and                        | 740.4    | 741.1    | 0.7      | 5.72  |
| and                        | 744.80   | 745.90   | 1.10     | 7.41  |

1. All downhole intervals. True thickness to be determined
2. All gold assays uncut.

#### 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".

Drill core sampling was conducted by SLM personnel. Samples are shipped to SGS Mineral Services of Kalgoorlie for preparation and assaying by 50 gram fire assay analytical method. First sample of each sample submission incorporates a barren rock sample as a flush to clean the lab crusher and pulveriser and as a check for contamination. Analytical accuracy and precision are monitored by the analysis of insertion of additional blank material and certified standards. The lab is also required to undertake a minimum of 1 in 20 wet screens on pulverised samples to ensure a minimum 90% passing at -75µm.

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, a Qualified Person 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 100% stake in the producing Beta Hunt nickel and gold mine in Western Australia, the Dumont Nickel Project located in the established Abitibi mining camp in Quebec and a 30% stake in the producing Reed Mine in the Flin Flon-Snow Lake region of Manitoba, Canada. 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 Preliminary Economic Assessment: The Beta Hunt Mine Kambalda, Western Australia made effective February 1, 2016 (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](http://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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