ROYAL NICKEL
CORPORATION

RNC Eliminates NSR Royalties At Higginsville Gold Operations, Further Unlocking Significant Production Potential And Lowering Operating Costs

TORONTO, May 11, 2020 /CNW/ - Royal Nickel Corporation dba. RNC Minerals (TSX: RNX) ("RNC" or the "Company") is pleased to announce it has reached an agreement with Morgan Stanley Capital Group Inc. ("Morgan Stanley") to terminate the remaining NSR royalty interests held by Morgan Stanley over a number of tenements at RNC's Higginsville Gold Operations (HGO), located in Western Australia, for a purchase price of US$9 million in cash. This transaction, once completed, will eliminate all remaining NSR royalty obligations in respect of the affected tenements, with the exception of the mandatory Western Australia state royalty of 2.5%.

Paul Andre Huet, Chairman & CEO, commented: "We are extremely pleased to have come to an agreement with Morgan Stanley to buy-back the remaining NSR portions of the long-standing royalty at Higginsville. We see the removal of these royalties as a significant transaction for RNC shareholders that will contribute meaningfully to the further unlocking of HGO land package beyond what we have already accomplished. During the first four months of 2020, we have delivered numerous positive exploration and development updates at Higginsville to the market and we expect this trend to continue.

Today's announcement, coupled with our purchase agreement for the Spargos Reward high-grade gold project (see RNC news release dated May 11, 2020), is expected to provide RNC with increased flexibility to prioritize optimal feed to our HGO processing facility from our growing pipeline of high quality projects."

The purchase price of US$9 million cash will be satisfied as follows: 30% (US$2.7 million) paid immediately and the remaining 70% of the purchase price paid over 30 months (US$1.26 million every six months).

This transaction will eliminate the current 1.75% legacy NSR royalty held by Morgan Stanley on the first 10,000 ounces of gold sold per annum (up to a cumulative 110,000 ounces) and the 2% NSR royalty on ounces sold in excess of 10,000 per annum. The current participation payment arrangement with Morgan Stanley will remain in place (see RNC news release dated December 19, 2019).

About RNC Minerals

RNC is focused on growing gold production and reducing costs at its integrated Beta Hunt Gold Mine and Higginsville Gold Operations ("HGO") in Western Australia. The Higginsville treatment facility is a low-cost 1.4 Mtpa processing plant which is fed at capacity from RNC's underground Beta Hunt mine and open pit Higginsville mine. At Beta Hunt, a robust gold mineral resource and reserve is hosted in multiple gold shears, with gold intersections along a 4 km strike length remaining open in multiple directions. HGO is a highly prospective land package totaling approximately 1,800 square kilometers. In addition, RNC has a 28% interest in a nickel joint venture that owns the Dumont Nickel-Cobalt Project located in the Abitibi region of Quebec.

Dumont contains the second largest nickel reserve and ninth largest cobalt reserve in the world. RNC has a strong Board and management team focused on delivering shareholder value. RNC's common shares trade on the TSX under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNKLF.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the liquidity and capital resources of RNC, production and AISC guidance for 2020, the potential of the Beta Hunt Mine, Higginsville Gold Operation, Dumont Nickel Project and the potential acquisition of the Spargos Reward Gold Project and its production potential. 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: 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; results of exploration programs; accidents, labour disputes, labour and operational disruptions due to the COVID-19 outbreak and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash operating 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, including the most recent Annual Information Form, 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.

Cautionary Statement Regarding the Higginsville Mining Operations
A production decision at the Higginsville gold operations was made by previous operators of the mine, prior to the completion of the acquisition of the Higginsville gold operations by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision were 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, which include 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 anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

SOURCE RNC Minerals

For further information: Rob Buchanan, Director, Investor Relations, T: (416) 363-0649,
www.rncminerals.com
