

Case Study:

Reliably Proving Royal Nickel's Upside Potential

April 2009

Case study profile:	Royal Nickel Corporation
Location:	Headquarters in Toronto, Ontario
Company type:	Junior mining company; nickel development
MEG's service:	Independent comparable evaluation



Suite 300, 1718 Argyle Street, Halifax, Nova Scotia B3J 3N6 Canada
Telephone: +1 902-429-2880
Fax: +1 902-429-6593
meg@metalseconomics.com
www.metalseconomics.com

Summary

Formed in December 2006, Royal Nickel Corporation is a privately-owned Canada-based nickel development company. The company’s principal holding is the 100%-owned Dumont nickel deposit in the Val d’Or/Amos mining region of Quebec. As a growing company with a planned IPO, Royal Nickel is well aware of the challenges of raising capital, and the mounting pressure to maintain development efforts and provide sustained growth to meet shareholder expectations.

Being a private company, Royal Nickel has been able to avoid some of the deleterious effects of today’s thorny market. Their strategy employs lean, agile tactics, including the intelligent use of information and data to propagate opportunities and build investor confidence.

As part of their investor relations and development strategy, Royal Nickel commissioned Metals Economics Group (MEG) to provide information on comparable nickel exploration and development companies. The report clearly outlines the significant upside potential of both Royal Nickel and the Dumont nickel project, and provides a basis for appropriately pricing stock in support of the company’s impending IPO.

“MEG’s independent comparable evaluation reports support both our short-term and long-term strategies – from stock-price valuation and investor relations to identifying partner and acquisition opportunities and competitor intelligence.”

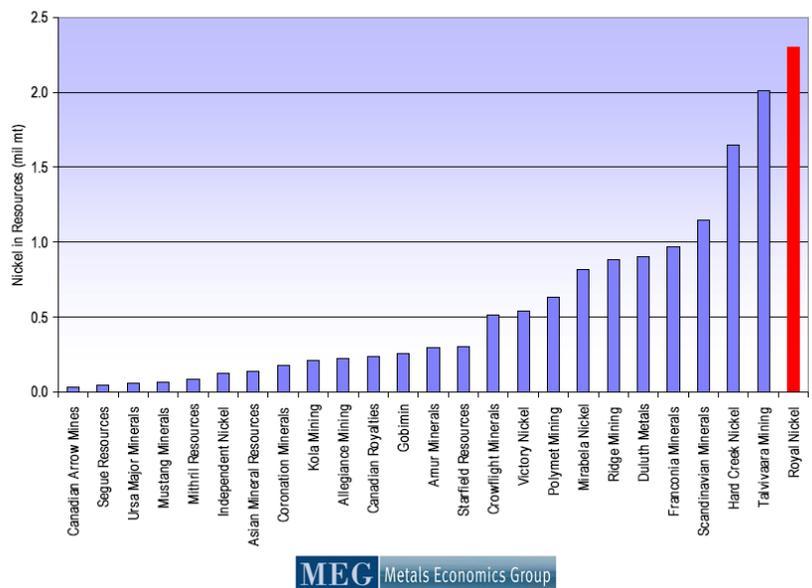
~ Roland Horst, President and CEO, Royal Nickel Corporation

Royal Nickel and the Dumont Nickel Deposit

Royal Nickel is well financed and poised to take the company public once market conditions improve. Over the past two years the company has established an excellent team of geologists. Coupled with a powerhouse board of directors, including several former INCO executives, the company is ready to move ahead with an aggressive exploration and growth strategy.

The Dumont deposit is considered one of the largest undeveloped nickel deposits in the world. Between 1956 and 1971, miners explored Quebec’s Dumont region in an attempt to capitalize on its undeveloped resource potential. In 2007, Royal Nickel acquired an interest in the project and subsequently exercised its options to acquire 100% of the project in 2008.

Comparable Junior Nickel Companies and Deposits by Share of Nickel in Resources



The Dumont deposit has a 365 million mt indicated resource grading 0.32% Ni and a 258 million mt inferred resource at 0.31% Ni containing respectively 2.6 billion and 1.7 billion lb of nickel. As of March 2009, Royal Nickel had completed more than 70,000 m of new drilling.

Royal Nickel’s plans for 2009 include 22,000 m of drilling on the project. Such an undertaking requires funding; therefore attracting investors is at the forefront of Royal Nickel’s strategy.

Building investor confidence in tough times

Raising capital is difficult at the best of times, but the economic slowdown has made the challenge that much harder. Unproven companies and early-stage projects potentially face a tough time finding funds from formal and informal investors who are less willing to take risks in an unsteady economy. Building investor confidence is paramount, and developing the tools to do so is simply smart business.

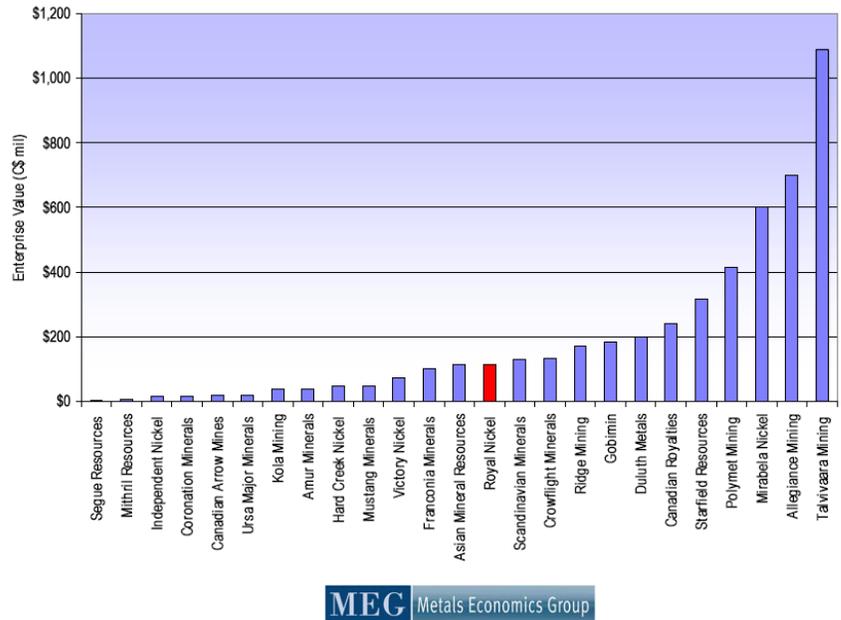
One such tool is a comparable evaluation of companies similar to Royal Nickel. Investment bank valuation reports or internal valuation exercises may often contain some level of bias. Royal Nickel felt it was important to obtain an independent source of information to support its decisions and add credibility to its stock pricing strategy. Royal Nickel needed a credible consultancy with the flexibility to produce a report in a fairly short timeframe.

After assessing several consulting groups, Royal Nickel commissioned MEG to rank comparable nickel companies’ deposits by various criteria based on enterprise value and contained metal in resources. Reserves and resources data and other project information were drawn from MEG’s *MineSearch* database.

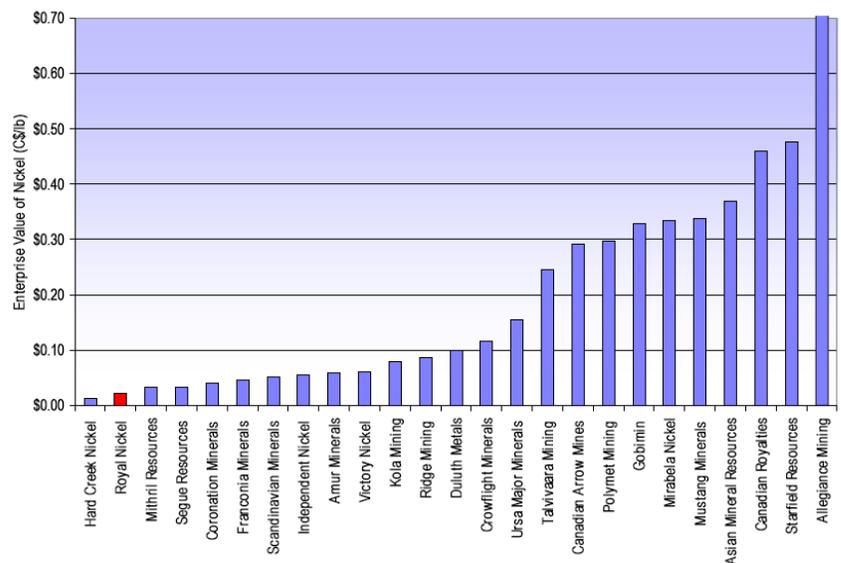
The result—a tool to establish clear upside potential for current and potential investors.

Royal Nickel has used the report to support both short-term objectives and long-term strategy. The report is freely available on the company’s web site (www.royalnickel.com) and has been used by the company to justify its stock

Comparable Junior Nickel Companies and Deposits by Total Enterprise Value



Comparable Junior Nickel Companies by Enterprise Value per lb of Nickel



price in a number of flow-through deals—clearly showing Royal Nickel’s continued value, even through the current down cycle. The company has also become more familiar with some of the other players in the junior nickel sector—using the data collected through the report to explore competitor activity, as well as how they might partner and consolidate with others in years to come.



Metals Economics Group

Metals Economics Group (MEG) provides information and analysis focused on addressing the strategic needs of the global mining industry. Clients benefit from a painstaking commitment to accuracy, many years of experience, excellent relationships with industry experts, a responsive, personal approach to customer care, and an unbiased approach to reporting and analyzing the latest trends and issues. Through analysis, information services, and consulting, MEG continuously builds on its foundation as the primary source of intelligence on global minerals exploration, development, and production; strategic planning issues; and acquisitions activity.

For an independent comparable evaluation report on your company and/or projects, contact sales@metalseconomics.com or call +1 902-429-2880.

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