LETTER FROM THE EXECUTIVE CHAIRMAN AND THE INTERIM PRESIDENT AND CEO

To the Shareholders:

It is a great time to be a nickel company. After a few difficult years for the nickel market, there has been a clear turnaround and we have a positive outlook for nickel over the next several years.

Structural changes in the market, driven by Indonesia's early 2014 ban on the export of unprocessed nickel ore has resulted in approximately one quarter of the world's mined nickel supply being removed from the market. This is good news for Royal Nickel Corporation's (RNC) shareholders; this is also good news because it means we should expect strong nickel prices for the foreseeable future and a favourable environment in which to advance the Dumont Nickel Project into construction and production.

RNC's core asset is the strategically important, structurally low-cost Dumont Nickel Project in Quebec. Dumont contains the third largest nickel reserve in the world and is expected to be a large scale operation that will be among the five largest nickel sulphide operations in the world when it is up and running. Our focus continues to be on developing Dumont to unlock the underlying value of this great asset.

In June of 2013, we announced the positive results of the Dumont feasibility study which confirmed the technical and economic strength of the project. In the fall of 2013, RNC signed an electricity supply installation agreement with Hydro-Québec, a critical step that formalizes the process of connecting the Dumont project to Quebec's low-cost power grid. RNC also announced the advancement of permitting for Dumont with the start of the public information and consultation process in April 2014. Conducted by Quebec's Bureau d'audiences publiques sur l'envronnement or "BAPE",

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this part of the permitting process is expected to be completed before the end of the second quarter of 2014 and keeps us on track for receipt of the main permits before the end of 2014. RNC has also continued discussions with potential partners for developing Dumont and, subject to completing a suitable financing package by the end of 2014, we remain optimistic that the project can be constructed and begin ramping up production before the end of 2016.

RNC has also been diligent in its approach to advancing the community and social aspects of the Dumont project. RNC voluntarily initiated and continues to conduct a public consultation process that began prior to completion of the Environmental and Social Impact Assessment and feasibility study. RNC also has established a community liaison office and has signed a memorandum of understanding with the Abitibiwinni First Nation, which serves as a framework for cooperation and mutual respect in connection with the development of Dumont.

In April 2014, RNC made a strategic investment to acquire a 25% interest in Sudbury Platinum Corporation, which has an option to earn up to a 70% interest in the highly prospective Aer-Kidd property located in the Sudbury Basin area of Ontario, Canada. This is RNC's first investment in a property other than Dumont and we are excited by the potential of Aer-Kidd. Our management team has extensive experience in the Sudbury Basin and RNC believes that Aer-Kidd is one of the best nickel exploration opportunities in the world.

After years of significant contributions — joining RNC in 2009 and completing a successful public listing in 2010 as well as significantly advancing Dumont to its current status — President and CEO Tyler Mitchelson decided in 2014 to pursue other interests. Mark Selby, who previously held the role of Senior Vice President, Business Development, has been appointed interim President and CEO. On behalf of the Board and Management, we would like to thank Tyler for his many contributions as President and CEO, and look forward to his continued contributions as a member of our Board.

Finally, much of the progress and achievements over the past year are attributable to RNC's key strength — the depth and breadth of our experienced team. The RNC team is committed to delivering results that will help realize RNC's value potential as we look to upcoming critical milestones including completing partnership/financing arrangements, securing permits and advancing to the construction.

In the coming year, we'll continue to devote all of our collective energy to advancing the Dumont project towards production.

Scott Hand	**Mark Selby**
Executive Chairman	Interim President and Chief Executive Officer

May 8, 2014

This letter contains forward looking statements relating to RNC's goal to develop the Dumont project, including potential partnership arrangements, permitting, expected size of operation and demand for nickel and relating to the performance of the nickel market and the Aer-Kidd exploration opportunity. Forward looking statements involve known and unknown risks and uncertainties, which may cause actual developments to differ materially from the forward looking statements. These risks and uncertainties include, among other things: global economic conditions, metal prices, availability of financing, product demand, market competition, regulatory hurdles, technical challenges and the results of and other risks inherent in mineral development and mining, which are described in greater detail in RNC's filings on SEDAR at www.sedar.com.

RNC