EXECUTION COPY

ROYAL NICKEL CORPORATION

- AND -

8248567 CANADA LIMITED

- AND -

ORION MINE FINANCE (MASTER) FUND I LP

INVESTMENT AGREEMENT

July 8, 2015

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Global Mining Group

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TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

INVESTMENT AGREEMENT

THIS AGREEMENT made as of July 8, 2015;

Between:

Royal Nickel Corporation, a corporation existing under the laws of Canada ("**Royal Nickel**")

- and -

8248567 Canada Limited, a corporation existing under the laws of Canada (the "**Purchaser**")

- and -

Orion Mine Finance (Master) Fund I LP, an exempted limited partnership organized under the laws of Bermuda (the "**Subscriber**")

WHEREAS, Royal Nickel is the registered holder of a 98% undivided interest in and to the Property (as hereinafter defined) other than the Pershimco Property (as hereinafter defined) with Ressources Québec Inc. being the registered holder of the other 2% undivided interest;

AND WHEREAS Royal Nickel is the registered holder of a 100% undivided interest in and to the Pershimco Property;

AND WHEREAS Royal Nickel and the Purchaser entered into the Original Royalty Agreement (as hereinafter defined) pursuant to which Royal Nickel granted to Purchaser the Original Royalty (as hereinafter defined).

AND WHEREAS Royal Nickel and the Purchaser wish to amend the Original Royalty Agreement to increase the Original Royalty from 1% to 1.75% in consideration of the payment of the Cash Purchase Price (as hereinafter defined) from the Purchaser to Royal Nickel.

AND WHEREAS the Subscriber wishes to subscribe for 10,000,000 common shares of Royal Nickel at a price of US$0.31.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Additional NSR Royalty**" means the additional 0.75% royalty on net smelter returns on the Project as more particularly described in the Amending Agreement and the Original Royalty Agreement;

"**Affiliate**" means as to any Person, any other Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such Person;

"**Agreement**" means this agreement and the Schedules attached hereto and all amendments, restatements or replacements made hereto by written agreement between the Parties;

"**Amending Agreement**" means the agreement to amend the Original Royalty Agreement to be entered into between Royal Nickel and the Purchaser in substantially the form attached hereto as Schedule "D";

"**Applicable Law**" or "**Law**" in respect of any Person, property, transaction or event, means all laws, statutes, treaties, regulations, and enforceable judgments, orders and decrees applicable to that Person, property, transaction or event and, in each case having the force of law, all applicable official directives, rules, protocols, consents, approvals, authorizations, and orders of any Governmental Body having or purporting to have authority over that Person, property, transaction or event;

"**Books and Records**" means all scientific and technical, financial, accounting, business, tax and employee information, records and files, in any form whatsoever (including written, printed or electronic form or stored on computer discs or other data and software storage devices) related to the Project, including regulatory filings and returns, books of account and related original source documentation, actuarial, tax and accounting information, accounts and records documenting the use of proceeds from the Cash Purchase Price, geological and metallurgical data, drill hole logs, cross sections and assay results, reports, files, lists, drawings, plans, logs, briefs, computer program documentation, employee data and records, deeds, certificates, contracts, surveys, title and legal opinions, records of payment, asset documentation, written employment manuals and employment policies;

"**Business**" means the business of Royal Nickel as presently conducted and the planned projects as disclosed in the Royal Nickel Public Documents;

"**Business Day**" means a day that is not a Saturday, Sunday or any other day which is a statutory holiday or a bank holiday in Ontario; Québec; Hamilton (Bermuda) and New York City (New York);

"Cash Purchase Price" has the meaning given to such term in Section 2.1;

"Claim" means any claim of any nature whatsoever, including any demand, liability, obligation, debt, cause of action, suit, proceeding, judgment, award, assessment, reassessment or notice of determination of loss;

"Closing" means the completion of the sale to and the purchase by the Purchaser of the Additional NSR Royalty, and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously;

"Closing Date" means July 8, 2015, or such earlier or later date as may be agreed upon in writing by the Parties;

"Closing Document" means any document delivered at the Closing Time as provided in or pursuant to this Agreement;

"Confidential Information" means all information relating to or provided under this Agreement, in any form and whether or not stated or noted to be confidential, other than information which is or becomes available to the public other than as a result of a breach of Section 7.8 of this Agreement;

"Contract" means any written agreement, arrangement or commitment;

"Control" means:

(a) when applied to the relationship between a Person and a corporation, the beneficial ownership by such Person at the relevant time of shares of such corporation carrying more than 50% of the voting rights ordinarily exercisable at meetings of shareholders of such corporation or carrying sufficient rights to elect a majority of the directors of such corporation or the ability of such Person to elect or appoint a majority of the directors or influence the voting of a majority of the directors through contract, understanding or other arrangement; and

(b) when applied to the relationship between a Person and a partnership or joint venture, the beneficial ownership by such Person at the relevant time of more than 50% of the ownership interests of the partnership or joint venture in circumstances where it can reasonably be expected that such Person directs the affairs of the partnership or joint venture;

and the words "Controlled by", "Controlling" and similar words have corresponding meanings; provided that a Person (the **"first-mentioned Person"**) who Controls a corporation, partnership or joint venture (the **"second-mentioned Person"**) shall be deemed to Control: (i) a corporation, partnership or a joint venture (the **"third-mentioned Person"**) which is Controlled by the second-mentioned Person, (ii) a corporation, partnership or joint venture which is controlled by the third-mentioned Person, and (iii) so on;

"**Data Room Information**" means all information, books, maps, records, reports, files, data, interpretations, papers or other records or documents relating to Royal Nickel, the Original Royalty and the Additional NSR Royalty, contained in the internet-based data room established by or on behalf of Royal Nickel and copied to a DVD on June 28, 2015, a complete index of which is set out in the Disclosure Letter.

"**Disclosure Letter**" means the disclosure letter dated as of the date hereof executed by Royal Nickel and delivered to, and acknowledged and accepted by, the Purchaser prior to the execution of this Agreement.

"**Disposal**" means any disposal by any means including dumping, incineration, spraying, pumping, injecting, depositing or burying;

"**Environment**" includes the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and "**Environmental**" will have a similar extended meaning;

"**Environmental Laws**" means all Applicable Laws relating in whole or in part to the Environment, including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous Substance;

"**Financial Statements**" means the audited consolidated financial statements of Royal Nickel for the year ended December 31, 2014 and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, as filed with Canadian securities regulatory authorities;

"**Governmental Approval**" means any authorization, consent, approval, licence, ruling, permit, concession, certification, exemption, filing, variance, order, judgment, decree, publication, notice to, declaration of or with or registration by or with any Governmental Body, including, without limitation, approval from the TSX, as applicable;

"**Governmental Body**" means any national, provincial, state, regional, municipal or local government, governmental department, commission, board, bureau, agency, authority or instrumentality, or any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, including all tribunals, commissions, boards, bureaux, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing;

"**Hazardous Substance**" means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law;

"**Indemnified Party**" has the meaning ascribed to that term in Subsection 8.3.8;

"**Indemnifying Party**" has the meaning ascribed to that term in Subsection 8.3.8;

"**Interim Period**" means the period between execution and delivery of this Agreement and the Time of Closing;

"**knowledge**", with respect to any Party, means knowledge of any senior officer or director of such Party after due inquiry (and each such individual will be deemed to have "knowledge" of a particular fact or other matter if (i) that individual is actually aware of that fact or matter; or (ii) that fact or matter has been received or comes to the attention of that individual under circumstances in which a reasonable person would take cognizance of it), and for greater certainty, where a representation or warranty refers to the knowledge of more than one Party, each such Party is giving such representation and warranty to its own knowledge only and knowledge of one such Party shall not be imputed to any other such Party;

"**Liabilities**" includes any indebtedness, obligations or liabilities of any kind, whether primary or secondary, direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles;

"**Lien**" means with respect to any property or asset, any hypothec, prior claim, security interest, mortgage, pledge, prohibition, injunction, restriction, lien, charge, assignment, option, claim, promise to contract, compromise or other encumbrance or interest of any kind, upon any such property or asset, or upon the income, revenue or profits therefrom, including (i) any right to participate in revenues, profits, royalties, rents or other income in any way derived from or attributable to such property or asset or any rights arising therefrom; (ii) any acquisition of or option to acquire any property or asset upon conditional sale or other title retention agreement, device or arrangement (including any capital lease); (iii) any sale, assignment, pledge or other transfer for security of any accounts, intangibles or chattel paper, with or without recourse; and (iv) any agreement to create or grant any of the foregoing;

"**Loss**" means any loss, liability, damage, cost or expense including, without limitation, reasonable attorneys' fees, suffered or incurred, including the reasonable costs and expenses of any assessment, judgment, settlement or compromise relating thereto, but excluding consequential, indirect and special damages and loss of profits (whether characterized as direct or indirect);

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators as now in effect and as may be amended from time to time;

"**Order**" means any order, judgment, injunction, decree, stipulation, determination, award, decision or writ of any court, tribunal, arbitrator or Governmental Body or other Person;

"Original Deed of Hypothec" means the notarized deed of hypothec received on May 10, 2013 between Royal Nickel and the Purchaser and duly registered at the Land Registration Division of Abitibi under number 19 924 043 and at the public register of real and immovable mining rights kept at the Ministry of Energy and Nautral Resources of Quebec pursuant to section 11 of the *Mining Act* (Quebec) under number 55160;

"Original Royalty Agreement" means the net smelter returns royalty agreement entered into by Royal Nickel and the Purchaser dated May 9, 2013;

"Original Royalty" means the 1% royalty on net smelter returns on the Project as more particularly described in the Original Royalty Agreement;

"Parties" means the parties to this Agreement and **"Party"** means any one of them;

"Pershimco Property" has the meaning given to that term in the Original Royalty Agreement;

"Person" means an individual, a partnership, a corporation, a Governmental Body, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual and words importing "Person" have similar meaning;

"Private Placement" has the meaning given to such term in Section 2.2.1;

"Private Placement Shares" has the meaning given to such term in Section 2.2.1;

"Project" means the Dumont Nickel Project located in the Abitibi Mining Camp, 25km northwest of the town of Amos in the Province of Québec, Canada;

"Property" has the meaning given to it in the Original Royalty Agreement as amended by the Amending Agreement;

"Purchaser" means 8248567 Canada Limited and its successors in interest;

"Release" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, migrating, escaping, leaching, disposing, dumping, depositing, spraying, burying, abandoning, incinerating, seeping or placing, or any similar action defined in any Environmental Law;

"Representatives" means each director, officer, employee, agent, solicitor, accountant, professional advisor and other representative of a Party, and for the purposes of Article 8 means each director, officer or employee of an Indemnified Party;

"Royal Nickel" means Royal Nickel Corporation;

"Royal Nickel Public Documents" means those forms, reports, schedules, statements and other documents, including any financial statements or other documents (including any schedules included therein) as are filed on SEDAR under the profile for Royal Nickel and accessible to the public;

"**Royal Nickel Property Interest**" means Royal Nickel's rights, title and interest in and to the Property;

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Securities Laws**" means the Securities Act, together with all applicable Canadian provincial securities laws and the rules and regulations and published policies thereunder as now in effect and as they may be promulgated or amended from time to time;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

"**Subscriber**" means Orion Mine Finance (Master) Fund I LP;

"**Subscription Price**" has the meaning given to such term in Section 2.2.1;

"**Supplemental Deed of Hypothec**" means the notarized deed of supplemental hypothec to be received between Royal Nickel and the Purchaser in substantially the form attached hereto as Schedule "E";

"**Supplemental Hypothec**" means the hypothecs to be granted by Royal Nickel on the Royal Nickel Property Interest by the Supplemental Deed of Hypothec, as such interest is described in such deed;

"**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Body, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"**Tax Returns**" means all returns, declarations, reports, information returns and statements filed or required to be filed with any tax authority relating to Taxes;

"**Technical Report**" means the technical report entitled "*Technical Report on the Dumont Ni Project, Launay and Trécesson Township, Quebec, Canada*" dated July 25, 2013 that was filed by Royal Nickel on SEDAR on July 25, 2013, and subsequently re-filed by Royal Nickel on SEDAR on October 24, 2013 to correct certain typographical errors, as such report may be restated, updated or replaced;

"**Third Party**" means any Person other than a Party or an Affiliate of a Party;

"**Third Party Claim**" means any Claim asserted by a Third Party against an Indemnified Party;

"**Time of Closing**" means 11:00 a.m. (Eastern Daylight Time) on the Closing Date, or such earlier time on the Closing Date that may be agreed by the Parties;

"**Transfer Taxes**" has the meaning given to that term in Section 7.4.1;

"**TSX**" means the Toronto Stock Exchange;

"**Underlying Royalties**" means the underlying royalties and existing rights described in the agreements listed in Schedule "D" affecting the Property as of the date of this Agreement; and

"**Unsatisfied Judgment**" has the meaning given to that term in Section 3.1.1(e).

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.3 Extended Meanings

In this Agreement, words importing the singular number only include the plural and vice versa, words importing any gender include all genders. The term "includes" or "including" means "including without limiting the generality of the foregoing".

1.4 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.5 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made in accordance with generally accepted accounting principles, such reference shall be deemed to be to

International Financial Reporting Standards from time to time approved by the International Accounting Standards Board or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

1.6 Currency

Unless otherwise indicated, all references to currency herein, including "US$" are to lawful money of the United States. All references to "C$" are to lawful money of Canada.

1.7 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise agreed, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.8 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action will be valid if taken on or by the next Business Day.

1.9 Calculation of Time

In this Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern Daylight Time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period will terminate at 5:00 p.m. (Eastern Daylight Time) on the next Business Day.

1.10 Third Party Beneficiaries

Except as provided in Article 8, nothing in this Agreement or in any Closing Document is intended or by implication to, or shall, confer upon any Person (other than the Parties) any rights or remedies of any kind.

1.11 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule "A"	-	Representations and Warranties of Royal Nickel
Schedule "B"	-	Representations and Warranties of the Purchaser
Schedule "C"	-	Representations and Warranties of the Subscriber
Schedule "D"	-	Form of Amending Agreement
Schedule "E"	-	Form of Supplemental Deed of Hypothec
Schedule "F"		Underlying Royalties

Capitalized terms used but not otherwise defined in the Schedules have the meanings given to them in this Agreement.

ARTICLE 2
PURCHASE OF ADDITIONAL NSR ROYALTY AND PRIVATE PLACEMENT

2.1 Purchase and Sale of Additional NSR Royalty

2.1.1 Subject to the terms and conditions set out in this Agreement, Royal Nickel hereby agrees to create, sell, grant and deliver to the Purchaser, and the Purchaser hereby agrees to purchase and acquire from Royal Nickel free and clear of any Liens, the Additional NSR Royalty for the consideration set out in Subsection 2.1.2.

2.1.2 The consideration for the Additional NSR Royalty is US$6,900,000 (the "**Cash Purchase Price**") payable by the Purchaser to Royal Nickel by wire transfer.

2.2 Private Placement

2.2.1 The Subscriber agrees to purchase 10,000,000 common shares of Royal Nickel (the "**Private Placement Shares**") at a price of US$0.31 (being the equivalent to C$0.395) for an aggregate subscription price of US$3,100,000 (the "**Subscription Price**") subject to the terms and conditions herein (the "**Private Placement**").

The Subscriber acknowledges that, in accordance with the requirements of Securities Laws the certificates representing the Private Placement Shares will be subject to a hold period of four (4) months and one day during which such securities may not be resold in Canada except pursuant to a prospectus or an exemption from the applicable prospectus requirement and will be inscribed with the following restrictive legend: "**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES WILL NOT TRADE THE SECURITIES BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE ISSUE DATE].**"

The Subscriber may, at any time and from time to time, exchange a certificate bearing a restrictive legend for a certificate bearing no such legend upon having furnished evidence satisfactory to Royal Nickel, acting reasonably, which may include an opinion of counsel, that the removal of such restrictive legend would not be contrary to Applicable Law.

2.2.2 The Subscriber is hereby notified by Royal Nickel that Royal Nickel is required to provide information ("personal information") pertaining to the Subscriber required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including the Subscriber's name, address, telephone number and the number of securities subscribed for), which Form 45-106F1 is required to be filed by Royal Nickel under NI 45-106. By executing this Agreement, the Subscriber hereby authorizes the indirect collection of such personal information by any Governmental Body.

2.3 Place of Closing

The Closing will take place at the Time of Closing at the offices of Fasken Martineau DuMoulin LLP in Toronto, or at such other place as may be agreed upon by the Parties.

2.4 Closing

2.4.1 It is intended that the execution of the Amending Agreement, the payment of the Cash Purchase Price and the Private Placement will be completed simultaneously at Closing and only if all conditions of Closing have been satisfied or waived by each Party entitled to waive such conditions.

ARTICLE 3
CONDITIONS

3.1 Closing Conditions for the Benefit of the Purchaser and the Subscriber

3.1.1 The obligations of the Purchaser and the Subscriber to complete the transactions contemplated in this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Time of Closing, each of the following conditions precedent (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Purchaser and the Subscriber and may be waived by either of them in writing in whole or in part):

(a) each of the representations and warranties of Royal Nickel made in or pursuant to this Agreement or in any Closing Document delivered pursuant hereto shall be true and correct as and when made and at and as of the Time of Closing as though such representations and warranties were made at and as of the Time of Closing (except, in any case, that representations and warranties that expressly speak of a specific time need only be true and correct as of such specified date or time);

(b) all obligations, agreements and covenants of Royal Nickel to be completed prior to Closing shall have been performed or completed by it in all material respects, as applicable;

(c) the Purchaser and the Subscriber shall have received at the Closing an officer's certificate of Royal Nickel, dated as of the Closing Date, in form and substance reasonably satisfactory to the Purchaser, as to: (a) its constating documents; (b) a resolution of the board of directors of Royal Nickel authorizing the execution and delivery of this Agreement, the Amending Agreement, the Supplemental Deed of Hypothec and any other Closing Document and the completion of the transactions contemplated hereby; and (c) incumbency and signatures of the signatories of Royal Nickel executing this Agreement or any of the Closing Documents;

(d) all consents or approvals from, or notifications to any Person required to create and sell the Additional NSR Royalty and to create and grant the **Supplemental Hypothec**, will have been obtained or given on or before the Time of Closing in form satisfactory to the Purchaser, acting reasonably;

(e) no order or judgment of any court or any Governmental Body shall have been issued or made and no legal or regulatory requirement shall remain to be satisfied, in either case which has the effect of making void, unlawful or otherwise prohibiting the creation and sale of the Additional NSR Royalty as contemplated herein (an "**Unsatisfied Judgment**");

(f) all Governmental Approvals with respect to approval by any Governmental Body of the creation and sale of the Additional NSR Royalty, the creation and grant of the Supplemental Hypothec and the Private Placement shall have been obtained;

(g) no action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the purchase and sale of the Additional NSR Royalty, the creation and grant of the Supplemental Hypothec or the Private Placement contemplated hereby;

(h) no change, effect, event, development, occurrence or state of facts or combination thereof that is, or would be, material and adverse to the Additional NSR Royalty, the Supplemental Hypothec, the Property, the Project or the Private Placement, shall have occurred since the date of this Agreement;

(i) Royal Nickel shall deliver to the Purchaser and the Subscriber an opinion of its counsel dated the Closing Date and satisfactory to counsel for the Purchaser, acting reasonably, with respect to (i) the due incorporation and valid existence of Royal Nickel under its jurisdiction of incorporation and its valid registration and good standing under *An Act respecting the legal publicity of enterprises* (Québec), (ii) its corporate power and capacity to own its assets and carry on its business as presently carried on by it and to enter into this Agreement, the Amending Agreement and the Supplemental Deed of Hypothec, (iii) the enforceability of this Agreement, the Amending Agreement and the Supplemental Deed of Hypothec, (iv) confirmation that the execution and delivery of this Agreement, the Amending Agreement and the Supplemental Deed of Hypothec do not require any Governmental Approval or conflict with or result in a breach or violation of the constating documents of Royal Nickel, (v) the validity of the Supplemental Hypothec, (vi) upon due registration of the Supplemental Deed of Hypothec, that the Supplemental Hypothec shall be a first ranking hypothec on the Royal Nickel Property Interest, (vii) authorized share capital, (viii) valid issuance of Private Placement Shares, (ix) exemption from prospectus requirement, (x) resale of Private Placement Shares and (xi) approval of the TSX;

(j) Royal Nickel shall deliver to the Purchaser and the Subscriber an opinion of its counsel dated the Closing Date and satisfactory to counsel for the Purchaser, acting reasonably, confirming (i) Royal Nickel's and Ressources Québec Inc.'s good and valid and marketable title to the Property and (ii) that the issuance of the Additional NSR Royalty to the Purchaser and the granting by Royal Nickel of the Supplemental Hypothec in accordance with the terms of this Agreement will be in compliance with Applicable Law;

(k) the arrangements shall have been made to the satisfaction of Purchaser, acting reasonably, for registration of the Supplemental Deed of Hypothec in those public registers and offices in which, in Purchaser's and its counsel's opinion, registration is necessary or of advantage to preserve, protect and perfect same to the extent possible and render the Supplemental Hypothec opposable to Third Parties, including the State (as referred to in the *Mining Act* (Québec));

(l) Royal Nickel shall have duly authorized, executed and delivered this Agreement, the Amending Agreement, the Supplemental Deed of Hypothec and any other Closing Document requiring same, all in form and substance satisfactory to Purchaser and the Subscriber acting reasonably;

(m) Royal Nickel shall have delivered a DVD containing the contents of the Data Room Information; and

(n) Royal Nickel shall deliver to the Purchaser and the Subscriber such other documents as the Purchaser and the Subscriber may reasonably require pursuant to the transactions contemplated hereunder.

3.1.2 If any condition in Section 3.1.1 shall not have been satisfied in all material respects at or prior to the Time of Closing, either of the Purchaser or the Subscriber may at its sole option either:

(a) rescind this Agreement by written notice to Royal Nickel and, in such event, the Purchaser and the Subscriber shall be released from all obligations; or

(b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part.

3.2 Closing Conditions for the Benefit of Royal Nickel

3.2.1 The obligations of Royal Nickel to complete the transactions contemplated in this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Time of Closing, each of the following conditions precedent (each of which, as applicable, is hereby acknowledged to be inserted for the exclusive benefit of Royal Nickel and may be waived by Royal Nickel in writing in whole or in part):

(a) each of the representations and warranties of the Purchaser and the Subscriber made in or pursuant to this Agreement or in any Closing Document delivered pursuant hereto shall be true and correct as and when made and at and as of the Time of Closing as though such representations and warranties were made at and as of the Time of Closing (except, in any case, that representations and warranties that expressly speak of a specific time need only be true and correct as of such specified date or time);

(b) all obligations, agreements and covenants of the Purchaser and the Subscriber to be completed prior to Closing shall have been performed or completed by the Purchaser and the Subscriber in all material respects, as applicable;

(c) the Cash Purchase Price shall have been paid by the Purchaser;

(d) the Subscription Price shall have been paid by the Subscriber;

(e) Royal Nickel shall have received at the Closing from the Purchaser an officer's certificate of the Purchaser, dated as of the Closing Date, in form and substance reasonably satisfactory to Royal Nickel, as to: (a) its constating documents; (b) a resolution of the board of directors of the Purchaser authorizing the execution and delivery of this Agreement, the Amending Agreement, the Supplemental Deed of Hypothec and the completion of the transactions contemplated hereby; and (c) incumbency and signatures of the signatories of the Purchaser executing this Agreement or any of the Closing Documents;

(f) all Governmental Approvals with respect to approval by any Governmental Body of the creation and sale of the Additional NSR Royalty, the creation and granting of the Supplemental Hypothec and the Private Placement shall have been obtained;

(g) all consents or approvals from, or notifications to any Person required to create and sell the Additional NSR Royalty and to create and grant the Supplemental Hypothec to the Purchaser, will have been obtained or given on or before the Time of Closing in form satisfactory to Royal Nickel, acting reasonably;

(h) no Unsatisfied Judgment shall exist;

(i) no action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the creation and purchase and sale of the Additional NSR Royalty and creation and granting of the Supplemental Hypothec contemplated hereby; and

(j) the Purchaser and the Subscriber shall have duly authorized, executed and delivered this Agreement, the Amending Agreement, the Supplemental Deed of Hypothec and any other Closing Document, as applicable, all in form and substance satisfactory to Royal Nickel acting reasonably.

3.2.2 If any condition in Section 3.2.1 shall not have been satisfied in all material respects at or prior to the Time of Closing, Royal Nickel may at its option, either:

(a) rescind this Agreement by written notice to the Purchaser and the Subscriber and, in such event, Royal Nickel shall be released from all obligations hereunder; or

(b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part.

3.3 **Specific Performance**

In the event of any actual or threatened breach by any of the Parties of any of the covenants or agreements in this Agreement, the Party who is or is to be thereby aggrieved shall have the right, to the extent allowed under Applicable Law, to seek specific performance and injunctive relief giving effect to its rights under this Agreement, in addition to any other available rights and remedies of any nature or kind. The Parties agree that any such breach or threatened breach would cause irreparable injury, that the remedies at law for any such breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF ROYAL NICKEL

4.1 **Representations and Warranties of Royal Nickel**

The representations and warranties of Royal Nickel are set out in Schedule "A" hereto.

4.2 **Survival of the Representations, Warranties and Covenants**

4.2.1 The representations and warranties of Royal Nickel set forth in this Agreement shall survive the completion of the transactions herein provided for the following periods notwithstanding such completion and any inspections or inquiries made by or on behalf of the Purchaser:

(a) the representations and warranties set out in Schedule "A", save for the representations or warranties described below in this Section 4.2.1, shall survive for a period of three (3) years from the Closing Date;

(b) the representations and warranties set out in sections (m) and (n) in Schedule "A" shall survive until the later of (i) the date that is three (3) years after the Closing Date and (i) the date that Royal Nickel or an Affiliate thereof disposes of all of its interest in the Property, provided that any such disposition is done in accordance with the terms of the Original Royalty Agreement, as amended; and

(c) any representations or warranties that prove to be untrue or incorrect in a material respect (or, in the case of representations and warranties that are qualified by materiality, untrue or incorrect in any respect) as a result of any fraudulent misrepresentation made by Royal Nickel shall survive, as against Royal Nickel, indefinitely.

4.2.2 For greater certainty, the expiry of the survival period applicable to a representation or warranty shall be without prejudice to any Claim for indemnification based on any inaccuracy or misrepresentation in such representation or warranty made prior to such expiry pursuant to this Agreement.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties of the Purchaser

The representations and warranties of the Purchaser are set out in Schedule "B" hereto.

5.2 Survival of the Representations and Warranties

5.2.1 The representations and warranties of the Purchaser set forth in this Agreement shall survive the completion of the transactions herein provided for the following periods notwithstanding such completion and any inspections or inquiries made by or on behalf of Royal Nickel:

(a) the representations and warranties set out in Schedule "B", save for those representations and warranties described below in this Section 5.2.1, shall survive for a period of three (3) years from the Closing Date; and

(b) any representations or warranties that prove to be untrue or incorrect in a material respect (or, in the case of representations and warranties that are qualified by materiality, untrue or incorrect in any respect) as a result of any fraudulent misrepresentation made by the Purchaser shall survive, as against the Purchaser, indefinitely.

5.2.2 For greater certainty, the expiry of the survival period applicable to a representation or warranty shall be without prejudice to any Claim for indemnification based on any inaccuracy or misrepresentation in such representation or warranty made prior to such expiry pursuant to this Agreement.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

6.1 Representations and Warranties of the Subscriber

The representations and warranties of the Subscriber are set out in Schedule "C" hereto.

6.2 Survival of the Representations and Warranties

6.2.1 The representations and warranties of the Subscriber set forth in this Agreement shall survive the completion of the transactions herein provided for the following periods notwithstanding such completion and any inspections or inquiries made by or on behalf of Royal Nickel:

(a) the representations and warranties set out in Schedule "C", save for those representations and warranties described below in this Section 6.2.1, shall survive for a period of three (3) years from the Closing Date; and

(b) any representations or warranties that prove to be untrue or incorrect in a material respect (or, in the case of representations and warranties that are qualified by materiality, untrue or incorrect in any respect) as a result of any fraudulent misrepresentation made by the Subscriber shall survive, as against the Subscriber, indefinitely.

6.2.2 For greater certainty, the expiry of the survival period applicable to a representation or warranty shall be without prejudice to any Claim for indemnification based on any inaccuracy or misrepresentation in such representation or warranty made prior to such expiry pursuant to this Agreement.

ARTICLE 7
COVENANTS

7.1 Representations and Warranties of Royal Nickel

Royal Nickel shall take all actions that are within its power to control, and will make all commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, to ensure that its representations and warranties contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality which shall be true and correct in all respects) as at the Time of Closing.

7.2 Representations and Warranties of the Purchaser

The Purchaser shall take all actions that are within its power to control, and will make all commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, to ensure that its representations and warranties contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality which shall be true and correct in all respects) as at the Time of Closing.

7.3 Representations and Warranties of the Subscriber

The Subscriber shall take all actions that are within its power to control, and will make all commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, to ensure that its representations and warranties contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality which shall be true and correct in all respects) as at the Time of Closing.

7.4 Taxes

7.4.1 Royal Nickel understands, on the basis of its own verifications, that no goods and services, Québec sales, value added, excise, transfer or similar taxes (collectively, the "**Transfer Taxes**") in respect of the sale of the Additional NSR Royalty to the Purchaser will be due and payable, and therefore agrees that it will not require payment of Transfer Taxes on Closing.

7.4.2 In the event that it is determined, following Closing that Transfer Taxes are in fact payable on the sale of the Additional NSR Royalty and notwithstanding Section 7.4.1, the Purchaser shall be liable for and shall pay when due any Transfer Taxes levied by any Governmental Body in respect of the sale of the Additional NSR Royalty to the Purchaser (excluding for greater certainty any income or capital gains taxes which shall be the responsibility of Royal Nickel). Royal Nickel and the Purchaser shall use their commercially reasonable efforts in good faith to minimize any applicable Transfer Taxes. The Purchaser shall have the right to contest the imposition of any Transfer Taxes, and Royal Nickel shall cooperate with the Purchaser in any opposition, contest or challenge to any attempt by any Governmental Body to impose Transfer Taxes.

7.5 Compliance Verification and Access

7.5.1 Royal Nickel shall permit the Purchaser, directly and through its Representatives at its own expense and on reasonable notice to the Project operator at any time prior to the Time of Closing, to have full access to the Property for the purposes of, among other things, verifying the compliance of Royal Nickel with its representations, warranties and covenants hereunder. Such investigations and inspections shall not, however, affect or mitigate the representations and warranties of Royal Nickel hereunder. The Purchaser shall endeavor to ensure that all such access, investigations and inspections will be conducted in a commercially reasonable manner. The Purchaser will indemnify and hold Royal Nickel and its officers, directors and employees harmless from and against any Losses arising out of any claim or cause of action for loss or damage to property or injury to Persons caused by or resulting from such site visits.

7.6 Covenants on the Property

7.6.1 During the Interim Period, Royal Nickel shall act as follows:

(a) preserve and protect the Property and shall not sell, transfer or dispose of any of the Royal Nickel Property Interest or grant any Lien to any Third Party on the Royal Nickel Property Interest;

(b) not take any action or enter into any transaction involving or otherwise affecting the Property which, if taken or entered into before the date of this Agreement, could cause any representation or warranty of Royal Nickel in this Agreement to be incorrect in any material respect or constitute a breach of any covenant or agreement of Royal Nickel contained herein in any material respect without the prior consent of the Purchaser, such consent not to be unreasonably withheld;

(c) Royal Nickel shall at its own expense use commercially reasonable efforts to obtain by the Time of Closing all certificates, consents or waivers of Third Parties, if any, required to consummate the transactions contemplated by this Agreement;

(d) as soon as practicable, Royal Nickel shall make all filings, notices or requests for approval required to be given or made to any Governmental Body in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the creation and sale of the Additional NSR Royalty and the creation and grant of the Supplemental Hypothec;

(e) Royal Nickel shall as soon as practicable disclose in writing to the Purchaser any matter inconsistent in any material respect with any of the representations or warranties of Royal Nickel contained herein of which it becomes aware. No such disclosure, however, will cure any misrepresentation or breach of warranty for the purposes of Section 3.1.1(a);

(f) Royal Nickel shall take all actions that are within its power to control, and will make all commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, to ensure that its representations and warranties contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality which shall be true and correct in all respects) as at the Time of Closing;

(g) Royal Nickel shall maintain the Property in good standing (by among other things performing all required assessment work and paying all Taxes and fees payable under Applicable Law or otherwise on the Property), duly maintain Books and Records in respect of the Project in accordance with industry standards, and shall continue to operate its assets in respect of the Project in accordance with customary standards;

(h) Royal Nickel shall comply in all material respects with all Applicable Laws involving or otherwise affecting the Property; and

(i) Royal Nickel shall ensure that all corporate action is taken by it to approve the transactions contemplated herein and satisfy its covenants provided herein.

7.7 Use of Proceeds

7.7.1 Royal Nickel shall use the proceeds from the Cash Purchase Price and the Subscription Price only for furthering the development of the Project (which includes the generation of bulk samples of roasted concentrate to test as to whether concentrate roasting is a lower cost processing alternative for the Project) and for general working capital (but only so long as the use of the Cash Purchase Price for general working capital is primarily in relation to and to further the advancement of the Property and the Project). For greater certainty, Royal Nickel shall not use such proceeds for the acquisition or development of any other mining rights or mining properties unrelated to the Project.

7.7.2 Royal Nickel must permit the Purchaser at its own cost, after it has given reasonable Notice to Royal Nickel, to inspect at their respective premises and at all reasonable times and with access to their relevant personnel, those Books and Records to enable the Purchaser to determine compliance with Section 7.7.1, and to make and take away with it copies of such Books and Records.

7.7.3 If the Purchaser objects to the use of proceeds or Books and Records provided, then the Purchaser will provide written notice to Royal Nickel and will specify the basis for the objection in reasonable detail. The Purchaser shall have the right, at its own cost, for a period of 90 days after Royal Nickel receives notice of such objection, upon reasonable notice and at all reasonable times, to have the Books and Records relating to the use of proceeds audited by an independent firm of certified public accountants or chartered accountants selected by the Purchaser.

7.8 Announcements and Confidential Information

7.8.1 No discussion with a Third Party, public announcement or news release concerning the sale and purchase of the Additional NSR Royalty, or the terms or conditions of this Agreement shall be made by any of the Parties except as may be required by Applicable Law or the rules of any applicable stock exchange. Royal Nickel will advise and consult with the Purchaser prior to any such announcement or disclosure required on Closing.

7.8.2 Subject to Subsection 6.8.3, the Parties will keep all Confidential Information confidential and will not, without the prior written consent of the other Parties, disclose in any manner, in whole or in part, any Confidential Information.

7.8.3 Each Party undertakes that neither it nor its Representatives will, without the prior written consent of the other Parties, use any Confidential Information other than for purposes of this Agreement and shall not disclose any Confidential Information to any Third Party unless:

(a) the disclosure is expressly permitted by this Agreement;

(b) the information is already in the public domain (unless it entered the public domain because of a breach of this Section 7.8 by the Party);

(c) the disclosure is made on a confidential basis to the Party's officers, employees, agents, financiers or professional advisers, and is necessary for the Party's business;

(d) the disclosure is necessary to comply with any Applicable Law, or an order of a court or tribunal;

(e) the disclosure is necessary to comply with a directive or request of any Governmental Body, securities regulator or stock exchange (whether or not having the force of Law) so long as a responsible person in a similar position would comply;

(f) the disclosure is necessary or desirable to obtain an authorization from any Governmental Body, securities regulator or stock exchange;

(g) the disclosure is necessary in relation to any discovery of documents, or any proceedings before an arbitrator, court, tribunal, other Governmental Body, securities regulator or stock exchange; or

(h) the disclosure is made on a confidential basis to a prospective assignee or financier of the Party, to a potential purchaser of the Original Royalty or

Additional NSR Royalty or to any other person who proposes to enter into contractual relations with the Party and agrees to keep the disclosure confidential in accordance with this Section 7.8.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnity of Royal Nickel

Royal Nickel shall indemnify and save harmless the Purchaser and Subscribers and their Representatives for, from and against all Losses directly or indirectly suffered by them or any of them resulting from: (i) any breach of any covenant of Royal Nickel contained in this Agreement; (ii) any representation or warranty set forth in Schedule "A" that is not true and correct as at the Time of Closing; and (iii) any Liabilities for Taxes levied by any Governmental Body with respect to the sale to the Purchaser of the Additional NSR Royalty other than Transfer Taxes and (iv) any Liabilities caused, directly or indirectly, by Royal Nickel as a result of or arising out of the ownership of the Property or conduct of their activities on the Property. For clarity, Royal Nickel acknowledges that the Purchaser shall not have title to the Property or any portion thereof, and that the acquisition of the Additional NSR Royalty shall not create or be deemed to create a partnership, and that as a result the Purchaser shall not be subject to any Liabilities arising, among other things, under Environmental Laws for which Royal Nickel shall be solely responsible.

8.2 Indemnity of Purchaser

The Purchaser shall indemnify and save harmless Royal Nickel and its Representatives from and against all Losses directly or indirectly suffered by them or any of them resulting from (i) any breach of any covenant contained in this Agreement (ii) any representation and warranty set forth in Schedule "B" that is not true and correct as at the Time of Closing, or (iii) any Liabilities for Transfer Taxes levied by any Governmental Body with respect to the sale to the Purchaser of the Additional NSR Royalty.

8.3 Notice of and Defence of Third Party Claims

8.3.1 If an Indemnified Party receives written notice of the commencement or assertion of any Third Party Claim in respect of which the Indemnified Party believes the Indemnifying Party has liability under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof. To the extent reasonable and practical given the information readily available to the Indemnified Party, such notice to the Indemnifying Party shall describe the Third Party Claim in reasonable detail and shall indicate (without prejudice to the Indemnified Party's rights) the estimated amount of the Loss that has been or may be sustained by the Indemnified Party in respect thereof, provided that the failure to give such notice within such time period shall not reduce the Indemnified Party's rights hereunder, except to the extent of any actual prejudice suffered as a result of such failure.

8.3.2 The Indemnifying Party shall have the right, by giving notice to that effect to the Indemnified Party not later than thirty (30) days after receipt of such notice of such Third Party Claim and subject to the rights of any insurer or other Third Party having potential liability therefor, to elect to assume the defence of any Third Party Claim at the Indemnifying Party's own expense and by the Indemnifying Party's own counsel, provided that the Indemnifying Party shall not be entitled to assume the defence of any Third Party Claim: (i) to the extent it alleges any criminal or quasi-criminal wrongdoing (including fraud), (ii) to the extent it impugns the reputation of the Indemnified Party or (iii) where the Third Party making the Third Party Claim is a Governmental Body.

8.3.3 Prior to settling or compromising any Third Party Claim in respect of which the Indemnifying Party has the right to assume the defence, the Indemnifying Party shall obtain the consent of the Indemnified Party regarding such settlement or compromise. In addition, the Indemnified Party shall be entitled to participate in (but not control) the defence of any Third Party Claim (and in so doing may retain its own counsel) at the cost and expense of the Indemnified Party.

8.3.4 With respect to any Third Party Claim in respect of which the Indemnified Party has given notice to the Indemnifying Party pursuant to Section 8.3.2 and in respect of which the Indemnifying Party is not entitled to assume the defence or has not elected to do so, the Indemnifying Party may participate in (but not control) such defence assisted by counsel of its own choosing at the Indemnifying Party's sole cost and expense.

8.3.5 At their own cost and expense, the Indemnifying Party and Indemnified Party shall use all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim:

(a) those employees whose assistance, testimony or presence is necessary to assist such Party in evaluating and in defending any Third Party Claim; and

(b) all documents, records and other materials in the possession of such Party reasonably required by such Party for its use in defending any Third Party Claim,

and shall otherwise co-operate with the Party defending such Third Party Claim.

8.3.6 If the Indemnifying Party elects to assume the defence of any Third Party Claim as provided in Section 8.3.2 and fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifying Party has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defence of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Indemnifying Party shall be liable for all reasonable costs and expenses paid or incurred in connection therewith.

8.3.7 Upon making a payment in full of any Loss, the Indemnifying Party shall, subject to the rights of any insurers and to the extent of such Loss, be subrogated to all rights of the Indemnified Party against any Third Party in respect of such Loss.

8.3.8 Any Person providing indemnification pursuant to the provisions of this Article 8 is referred to herein as an "**Indemnifying Party**", and any Person entitled to be indemnified pursuant to the provisions of this Article 8 is referred to herein as an "**Indemnified Party**".

8.4 No Duplication

Notwithstanding anything in this Agreement, any amounts payable pursuant to the indemnification obligations under this Article 8 shall be paid without duplication, and in no event shall any Party be indemnified under different provisions of this Agreement for the same Losses.

8.5 Tax Treatment of Indemnity Payments

The Parties agree to treat any indemnity payment made pursuant to this Article 8 as an adjustment to the Cash Purchase Price for all income tax purposes.

ARTICLE 9
GENERAL

9.1 Further Assurances

Each of the Parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as any other Party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.2 Time of the Essence

Time shall be of the essence of this Agreement.

9.3 Fees and Expenses

All costs and expenses arising from the transactions in respect of the Additional NSR Royalty and the Private Placement as contemplated by this Agreement, including, but not limited to, the reasonable legal and mining consultants costs incurred by the Purchaser, will be for the account of Royal Nickel. The Purchaser shall make all reasonable efforts to keep such costs to a minimum. An estimate of such costs and expenses will be deducted from the Cash Purchase Price and held back by the Purchaser on Closing with any subsequent adjustment for under or over estimation of costs to be settled promptly between the Parties.

9.4 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

9.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto.

9.6 Amendments and Waiver

No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

9.7 Assignment

This Agreement may not be assigned by a Party without the written consent of the other Parties, except to an Affiliate of the assigning Party, provided that such Affiliate enters into a written agreement with the other Parties to be bound by the provisions of this Agreement in all respects and to the same extent as the assigning Party is bound and provided that the assigning Party shall continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so.

9.8 Notices

Any notice, demand, consent or other communication ("Notice") given or made under this Agreement:

(a) must be in writing and signed by a person duly authorised by the sender;

(b) must be delivered to the intended recipient by hand, courier, facsimile or email to the addresses below or the addresses last notified by the intended recipient, to the sender:

(i) to the Purchaser or the Subscriber:

c/o Mitsubishi UFJ Fund Services Limited
26 Burnaby Street, Hamilton, HM 11, Bermuda

Attention: Jenny Dolan
Facsimile No: (441) 295-6759
Email: jdolan@mitsubishiufjfundservices.com
Notices@orionresourcepartners.com

With a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Attention: Nancy Eastman
Facsimile No. + 1 (416) 364-7813
Email: neastman@fasken.com

(ii) to Royal Nickel:

200 Bay Street, Suite 1200
Toronto, Ontario
M5J 2WY

Attention: Tim Hollaar, Chief Financial Officer
Facsimile No.:+1 (416) 363-7826
Email: thollaar@royalnickel.com

With a copy to:

Norton Rose Fulbright Canada LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, ON M5J 2Z4

Attention: David McIntyre
Facsimile No. +1 (416) 216-3930
Email: david.mcintyre@nortonrosefulbright.com

(c) Any notice will be deemed to have been given and received:

(i) if personally delivered, on the day of personal service to the recipient party, provided that if such date is a day other than a Business Day such notice will be deemed to have been given and received on the first Business Day following the date of personal service;

(ii) if by courier, on the day of receipt by the recipient party, provided that if such date is a day other than a Business Day such notice will be deemed to have been given and received on the first Business Day following the date of personal service; or

(iii) if sent by facsimile transmission or email and successfully transmitted with proof of transmission prior to 4:00 pm on a Business Day where the recipient is located, then on that Business Day, and if transmitted after 4:00 pm on a Business Day where the recipient is located or on the day that is not a Business Day where the recipient is located, on the first Business Day following the date of transmission.

(d) A Party may at any time change its address for future Notices hereunder by Notice in accordance with this Section.

9.9 Governing Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein, other than such laws relating to conflicts of law.

(b) Subject to Section 9.10, the Parties irrevocably submit to the exclusive jurisdiction of the courts exercising jurisdiction in the Province of Québec and any court that may hear appeals from any of those courts for any proceeding in connection with this Agreement, subject only to the right to enforce a judgment obtained in any of those courts in any other jurisdiction.

9.10 Dispute Resolution

Subject to any incompatible provision of this Section 9.10, any dispute, controversy or claim between Royal Nickel and the Purchaser or the Subscriber, arising out of or relating to this Agreement, or the execution, interpretation, application breach, termination, or invalidity thereof, shall be determined by arbitration in accordance with Articles 940 and following of the *Code of Civil Procedure* of Québec or any successor or replacement legislation which may be in force, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction over the relevant Party or its assets. The place of arbitration shall be Toronto, Ontario and the arbitration shall be conducted in the English language.

The arbitration shall be conducted by a panel of three arbitrators unless the Parties agree upon one arbitrator. In the event that the Parties are unable to agree on one arbitrator in their absolute discretion, the arbitrator selected by the claimant and the arbitrator selected by the respondent shall, within ten days of their appointment, select a third neutral arbitrator. In the event that they are unable to do so, a single neutral arbitrator shall be appointed in accordance with the provisions of the *Code of Civil Procedure* referred above who shall conduct the arbitration instead of a panel of three arbitrators.

The arbitrators shall reduce their award to writing and deliver one copy thereof to each of the Parties, and such award will be final and binding upon the Parties.

Nothing in this provision shall prevent any Party from seeking conservatory or interim measures, including, but not limited to, attachments, temporary restraining orders or preliminary injunctions or their equivalent, from any court having jurisdiction thereof, either before or after the arbitral tribunal is constituted.

9.11 Counterparts and Faxed Signatures

This Agreement may be executed in more than one counterpart (including counterparts delivered by facsimile or email), all of which, taken together, shall be regarded as one and the same Agreement. Counterparts may be delivered by facsimile or email and the Parties adopt any signatures received by facsimile or email as original signatures of the Parties.

9.12 Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Amending Agreement with respect to the Additional NSR Royalty, the provisions of the Amending Agreement shall govern.

9.13 Language

The Parties have expressly required that this Agreement, any communication and all other contracts, documents and notices relating to this Agreement be drafted in the English language. Les parties ont expressément exigé que la présente convention, la communication et tous les autres contrats, documents et avis qui y sont afférents soient rédigés dans la langue anglaise.

[Execution page follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

ROYAL NICKEL CORPORATION

By: ______________________________
Name: Timothy Hollaar
Title: Chief Financial Officer

8248567 CANADA LIMITED

By: ______________________________
Name: Gordon J. Fretwell
Title: President

ORION MINE FINANCE (MASTER) FUND I LP, by its general partner, ORION MINE FINANCE GP I LIMITED

Per: ______________________________
Name: Melanie Simons
Title: Authorized Signatory

IN WITNESS WHEREOF the parties have executed this Agreement.

ROYAL NICKEL CORPORATION

By: ______________________________
Name: Timothy Hollaar
Title: Chief Financial Officer

8248567 CANADA LIMITED

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Name: Gordon J. Fretwell
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Name: Timothy Hollaar
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8248567 CANADA LIMITED

By: ______________________________
Name: Gordon J. Fretwell
Title: President

ORION MINE FINANCE (MASTER) FUND I LP, by its general partner, ORION MINE FINANCE GP I LIMITED

Per: ______________________________
Name: Melanie Simons
Title: Authorized Signatory

SCHEDULE "A"
REPRESENTATIONS AND WARRANTIES
OF ROYAL NICKEL

Royal Nickel hereby represents and warrants to the Purchaser and the Subscriber as follows and acknowledges that the Purchaser and the Subscriber are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) Organization and Good Standing. Royal Nickel is a corporation duly incorporated and validly subsisting and in good standing under the Laws of its jurisdiction of incorporation and is duly registered and in good standing under *An Act respecting the legal publicity of enterprises* (Québec).

(b) No Violation or Rights of Termination or Acceleration. The execution and delivery of this Agreement by Royal Nickel do not, and the consummation of the transactions contemplated hereby and the performance of this Agreement, the Amending Agreement and the Supplemental Deed of Hypothec by Royal Nickel will not:

(i) materially conflict with or result in a material violation, contravention or breach of any of the terms, conditions or provisions of the articles or by-laws (or equivalent organizational documents) of Royal Nickel, of any agreement, instrument or license to which it is a party or by which it is bound or constitute a material default or violation by it thereunder, or result in the creation or imposition of any Lien upon the Project except by virtue of the constitution of the Additional NSR Royalty and the Supplemental Hypothec;

(ii) constitute a default or violation by Royal Nickel under any Laws to which it is subject or by which it is bound; or

(iii) result in any breach of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or create, give rise to or change any rights or obligations of any Person under, or result in the creation of a Lien on the Project pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit or other instrument or obligation to which it is a party or by which it or any of its property or assets is bound;

except, with respect to clauses (ii) and (iii), for any such events or occurrences that could not reasonably be expected to materially impair the ability of Royal Nickel to perform its obligations hereunder or to complete the transactions contemplated hereby.

(c) Consents and Approvals. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, or permit from, any

Governmental Body is required to be obtained or made by or with respect to Royal Nickel in connection with the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby, other than:

(i) filings and approvals under applicable Securities Laws or TSX policies; and

(ii) those, which if not obtained, could not individually or in the aggregate be reasonably expected to materially impair the ability of Royal Nickel to perform its obligations hereunder or to complete the transactions contemplated hereby.

(d) Capacity. Royal Nickel has the requisite corporate power and capacity to execute and deliver this Agreement, to perform its obligations hereunder and to complete the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Royal Nickel and the completion of the transactions contemplated hereby by it, including without limitation the Amending Agreement, the Private Placement and the Supplemental Deed of Hypothec have been duly authorized by its board of directors and no other corporate proceedings on the part of Royal Nickel are necessary to authorize the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby by Royal Nickel.

(e) Binding Agreement. This Agreement has been duly executed and delivered by Royal Nickel and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally and to general principles of equity.

(f) No Bankruptcy Proceedings. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Royal Nickel, threatened against Royal Nickel before any court, administrative, regulatory or similar agency or tribunal.

(g) Books and Records. All transactions in respect of the Property have been properly and accurately recorded in the appropriate Books and Records and such Books and Records are correct and complete in all material respects and have been maintained and retained in accordance with, as applicable, Applicable Law, generally accepted accounting principles, and in the case of technical and scientific information, customary standards in the mining industry.

(h) No Options to Purchase Royalty Interest. Other than under the Underlying Royalties, no Person other than the Purchaser has any oral or written agreement, option, warrant, privilege or right, or any right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase of a royalty interest in the Property.

(i) Absence of Undisclosed Liabilities. To the knowledge of Royal Nickel, the Property is not subject to any material liabilities or obligations of any nature or kind (whether accrued, absolute, contingent or otherwise) other than any reclamation or retirement obligations in respect of the Property that may be determined in the future under Applicable Laws and as otherwise disclosed in this Agreement.

(j) Financial Statements. The Financial Statements, each as filed with Canadian securities regulatory authorities, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and present fairly in all material respects, the financial position and the results of operations and the changes in shareholders' equity and cash flow of Royal Nickel for the periods then ended and as at the dates thereof. In the case of unaudited Financial Statements, this representation is subject to normal, recurring year-end adjustments that would be made in the course of an audit and would not be material. Royal Nickel does not have any material liability or obligation, whether accrued, absolute, contingent or otherwise, not reflected in the Financial Statements.

(k) Litigation. There is no (i) court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure or (ii) investigation, audit, assessment, inquiry, request for information, warrant, charge, suit or claim by any Governmental Body, or any similar matter or proceeding (collectively, "**Proceedings**") in respect of the Project (whether in progress or, to the knowledge of Royal Nickel, threatened) or against Royal Nickel, which, if determined adversely to Royal Nickel, would have an adverse effect in respect of the Project or the Additional NSR Royalty, and there is no order, ordinance, writ, judgment, decree, injunction, award or order of any Governmental Body outstanding against Royal Nickel which would have an adverse effect in respect of the Project or the Additional NSR Royalty. There are no suits, claims, actions or Proceedings pending or, to the knowledge of Royal Nickel threatened seeking to prevent the transactions contemplated hereby.

(l) Tax Matters. Royal Nickel has filed or caused to be filed, in a timely manner, all material Tax Returns required to be filed by it (all of which Tax Returns were correct and complete in all material respects) and has paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all material Taxes that are due and payable, collectible and remittable in respect of the relevant period, except, in either case where such failure to file or to pay, collect, withhold or remit would not have an adverse effect in respect of the Additional NSR Royalty or the Project.

(m) Title to Property. Royal Nickel is the registered holder of a 98% undivided interest in and to the Property other than the Pershimco Property and Ressources Québec Inc. is the registered holder of the other 2% undivided interest in and to the Property other than the Pershimco Property. Royal Nickel is the registered holder of a 100% undivided interest in and to the Pershimco Property.

Property:

(i) The Property is in good standing, and Royal Nickel (98%) and Ressources Québec Inc. (2%) have a good and marketable title to the Property other than the Pershimco Property and Royal Nickel (100%) has a good and marketable title to the Pershimco Property, free and clear of all title defects and Liens other than the Underlying Royalties.

(ii) Applying customary standards in the mining industry in Québec:

(A) each mining claim and other mining right or interest comprising the Property has been properly filed, located, granted and recorded in compliance with the *Mining Act* (Québec) and Applicable Laws and is comprised of valid and subsisting mining claims;

(B) all assessment work required to be performed and filed in accordance with the *Mining Act* (Québec) and Applicable Laws, as at the date hereof or the Closing Date, as applicable, in respect of the Property has been performed and filed;

(C) all Taxes and other payments required to be paid in respect of the Property have been paid in a timely manner;

(D) all material filings required to be filed in respect of the Property have been filed; and

(E) no Person has any interest in the Property or any right to acquire any such interest, which could affect the operations of Royal Nickel on the Property as currently conducted or as contemplated.

(iii) Other than under the Underlying Royalties, no Person has any back-in rights, earn-in rights, rights of first refusal, rights of first offer, option rights, royalty rights or similar rights or provisions in respect of the Royal Nickel Property Interest.

(iv) There are no adverse claims (including any claim to any ores, minerals or mineral products present in/on the Project and any other areas to which the Property relates), actions, suits or proceedings that have been commenced or, to the knowledge of Royal Nickel, that are pending or threatened, affecting or which could affect the Project, the Property or the Additional NSR Royalty.

(v) Royal Nickel has not received from any Governmental Body or any other Person any notice in respect of (i) any revocation or intention to revoke or not renew Royal Nickel's interests in the Property, or to renew Royal Nickel's interests in the Property on terms or conditions that are less favourable to Royal Nickel than the terms and conditions applicable to the Property as presently in effect, or (ii) any threat or intention to not issue or renew any Governmental Authorization or other authorizations, approvals, orders, rulings, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights required by Royal Nickel in connection with the Project and the Property.

(vi) Royal Nickel has all leases, rights of way, rights to use, surface rights, easements or other real property interests that are required to conduct all exploration and exploitation activities in respect of the Project as currently conducted.

(vii) Royal Nickel has obtained or will have obtained prior to the Time of Closing all necessary approvals required for the creation and sale of the Additional NSR Royalty and has the right to create the Additional NSR Royalty and sell it to the Purchaser.

(viii) All work and activities carried out on the Property by Royal Nickel, to the knowledge of Royal Nickel, by any other Person engaged by Royal Nickel to carry out work on the Property have been carried out in compliance, in all material respects, with the *Mining Act* (Québec) and all Applicable Laws, and Royal Nickel has not received notice of any material breach or violation of the *Mining Act* (Québec) and any Applicable Laws.

(n) Mineral Resources. To the knowledge of Royal Nickel, the Technical Report was prepared in all material respects in accordance with accepted mining, engineering, geoscience and other approved industry practices and NI 43-101 as it was in effect on the date of the filing of the applicable document. The information provided by, as applicable, Royal Nickel to the Qualified Persons (as defined in NI 43-101 as it was in effect on the date of the filing of the applicable document) in connection with the preparation of the Technical Report was complete and accurate in all material respects at the time such information was furnished. To the knowledge of Royal Nickel, no mineral deposits are subject to illegal occupation, and all necessary measures with respect to sampling method, sampling preparation and security, data verification, and quality assurance and quality control have been taken to ensure the accuracy and integrity of the data.

(o) Mining Safety. Royal Nickel's ownership, operation, development and maintenance of the Project are in compliance in all material respects with all Applicable Laws relating to workers' health and safety, mining safety and the workplace.

(p) Expropriation. No part of the Property has been taken, condemned or expropriated by any Governmental Body nor has any notice or proceeding in respect thereof been given or commenced nor does Royal Nickel have any knowledge of any intent or proposal by any Governmental Body to give any such notice or commence any such proceedings.

(q) Local Community Claims. There are no Proceedings commenced by the community that resides within or near the Property or, to the knowledge of Royal

Nickel, pending or threatened with respect to the Property. All community consultations required to date under Applicable Laws have been duly conducted. Royal Nickel has not received notice that any part of the Project is located on sacred or religious grounds.

(r) Condition of Equipment. The material equipment and other tangible personal property of Royal Nickel which are used to conduct their activities on the Property are in good operating condition and repair having regard to their use and age and are adequate for the uses to which they are being put. None of such equipment or other property is in need of maintenance or repairs except for ordinary routine maintenance and repairs that are not material in nature or cost.

(s) Compliance with Environmental Laws. With respect to the Project:

(i) Royal Nickel has been and is in material compliance with all applicable Environmental Laws;

(ii) Royal Nickel has been and is in material compliance with the World Bank Environmental, Health, and Safety Guidelines with respect to social and environmental safeguards to ensure that mining operations are undertaken in a responsible manner;

(iii) Royal Nickel has obtained all licences, permits, approvals, consents, certificates, registrations and other authorizations under Environmental Laws (the "**Environmental Permits**") necessary for conduct of activities on the Project as currently operated, and each such Environmental Permit is valid, and subsisting, and Royal Nickel has not received any notice that any such Environmental Permits are in default or that Royal Nickel is in breach thereof, and no proceeding is pending or, to the knowledge of Royal Nickel, threatened to revoke or limit any such Environmental Permit;

(iv) Royal Nickel (including, if applicable, any predecessor companies thereof) has not received any notice of any future prosecution, nor is it currently being prosecuted for, any offence alleging non-compliance with any Environmental Laws, or any liability for the investigation or remediation of any Disposal or Release of Hazardous Substances; and

(v) Royal Nickel has not received any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of Royal Nickel that are material and adverse to the Project.

(t) Contingent Environmental Liabilities. There are no contingent Environmental liabilities in relation to the activities conducted by Royal Nickel at the Project that are required to be disclosed in the Financial Statements, and to the knowledge of Royal Nickel, no such contingent environmental liabilities have arisen subsequent to the date of such Financial Statements which would be required to be disclosed in the Financial Statements if such contingent liabilities related to environmental matters that had occurred or been discovered prior to such date.

(u) No Unlawful Payments. Royal Nickel has not, nor, to the knowledge of Royal Nickel has any director, officer, agent or employee of Royal Nickel or other Person authorized by Royal Nickel to act on its behalf (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any applicable provision of the *United States Foreign Corrupt Practices Act of 1977*, the *Corruption of Foreign Public Officials Act* (Canada) or the *Bribery Act 2010* (United Kingdom); or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, in each case related to the Project or any activities undertaken in the Province of Québec by or on behalf of Royal Nickel.

(v) Compliance with Laws. Royal Nickel has complied with and is not in violation of the *Mining Act* (Québec) or any Applicable Laws other than such non-compliance or violations which would not, individually or in the aggregate, have a material adverse effect in respect of the Project.

(w) Contracts In Respect of Project. All of the Contracts in respect of the Project have been duly entered into, have not been modified or terminated except as included in the Data Room Information and are in good standing in all material respects and in full force and effect with no amendments. All of the material Contracts in respect of the Project are valid and binding obligations of the parties thereto enforceable in accordance with their respective terms. Royal Nickel has complied with all material terms thereof, has paid all amounts due thereunder, have not waived any rights thereunder and no default or breach exists in respect thereof on the part of any of the parties thereto and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach, which individually or in the aggregate, would have an adverse effect in respect of the Project, the Additional NSR Royalty or the Supplemental Hypothec.

(x) Employment. In respect of the conduct of activities at the Project: (i) Royal Nickel has been and is in material compliance with all Applicable Laws respecting employment and employment practices including all employment standards, human rights, labour relations, occupational health and safety, workers' compensation or workplace safety and insurance legislation, employee privacy and pay equity, benefits, avoidance of discrimination, avoidance of harassment and avoidance of retaliation with respect to each of its employees, and there are no outstanding claims, complaints, investigations, prosecutions or orders under such legislation; (ii) Royal Nickel has not and is not engaged in any unfair labour practice, no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of Royal Nickel threatened against Royal Nickel and there is no labour strike, dispute, slow down or stoppage pending or, to the knowledge of Royal Nickel, threatened against Royal Nickel; (iii) all amounts due or accruing due for all salary, wages, bonuses, commissions, pension benefits or other employee benefits or compensation are reflected in the Books and Records of Royal Nickel, in accordance with Royal Nickel's accounting practices and Applicable Law; (iv) Royal Nickel is not a party to any collective bargaining agreement. As of the date of this Agreement, to Royal Nickel's knowledge, no petition has been filed or proceeding instituted by an employee or group of Royal Nickel's employees, with the applicable government department or agency seeking recognition of a bargaining representative; and (v) Royal Nickel has withheld and reported to the applicable Governmental Bodies all amounts required by Applicable Law or by agreement to be withheld and reported with respect to wages, salaries and other payments to employees.

(y) Disclosure. To the knowledge of Royal Nickel, all information contained in this Agreement, in the Data Room Information and in all of the Closing Documents prepared by or on behalf of Royal Nickel with respect to the Project is true, correct and accurate in all material respects as at the date provided or as at the date (if any) at which it was stated and, as of such time, does not contain any untrue statement of a material fact. Provided, financial projections or forecasts contained in any information provided by or on behalf of any Royal Nickel in connection with this Agreement have been prepared on the basis of on the basis of good faith assumptions, in each case as at the date such financial projections or forecasts were prepared, provided, however, all forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Royal Nickel to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, and 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 Royal Nickel's filings with Canadian securities regulators available on SEDAR at www.sedar.com. Accordingly, notwithstanding any provision hereof, Royal Nickel makes no representation or warranty with respect to any such projections or forecasts, other than that these have been prepared on the basis of good faith assumptions in each case as at the date such financial projections or forecasts were prepared. No statement made by Royal Nickel with respect to the Project contained in any document filed on the SEDAR contained a misrepresentation (as defined in Applicable Law) at the time such document was filed. As at the date hereof, Royal Nickel is in compliance, in all material respects, with its disclosure obligations in respect of the Project.

(z) Ressources Québec Inc. Royal Nickel has the right to grant the Additional NSR Royalty in respect of the Property and to grant the Supplemental Hypothec on the Royal Nickel Property Interest, notwithstanding that other than with respect to the Pershimco Claims, Ressources Québec Inc. holds a 2% undivided interest in and to the Property.

(aa) Authorized Capital. The authorized capital of Royal Nickel consists of an unlimited number of common shares and an unlimited number of special shares of

Royal Nickel, of which as of the date hereof, 120,773,255 common shares and no special shares were issued and outstanding as fully paid and non-assessable shares in the capital of Royal Nickel.

(bb) Reporting Issuer. Royal Nickel is a "reporting issuer" or equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and is not included in a list of defaulting reporting issuers maintained by any Canadian securities commission.

(cc) Validly Issued Shares. All necessary corporate action has been taken or will have been taken prior to the Closing Date by Royal Nickel to authorize and reserve for issuance the Private Placement Shares and, when certificates representing the Private Placement Shares have been countersigned by Royal Nickel's transfer agent, issued, delivered and paid for, the Private Placement Shares will be validly issued and fully paid and non-assessable. The form of certificate representing the Private Placement Shares has been approved by the directors of Royal Nickel.

(dd) TSX Listing. The outstanding common shares of Royal Nickel are listed on the TSX.

(ee) Transfer Agent. Computershare Trust Company of Canada at its principal office in the city of Toronto, Ontario has been duly appointed as registrar and transfer agent for the common shares of Royal Nickel.

SCHEDULE "B"
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to Royal Nickel as follows and acknowledges that Royal Nickel is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) Organization. The Purchaser is a corporation duly incorporated and validly subsisting under the Laws of its jurisdiction of incorporation.

(b) Consents and Approvals. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, or permit from, any Governmental Body is required to be obtained or made by or with respect to the Purchaser in connection with the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby.

(c) Capacity. The Purchaser has the requisite corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder and to complete the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Purchaser and the completion of the transactions contemplated hereby by it have been duly authorized by its board of directors and no other corporate proceedings on the part of the Purchaser are necessary to authorize the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby by the Purchaser.

(d) Binding Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally and to general principles of equity.

(e) No Bankruptcy Proceedings. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Purchaser, threatened against Purchaser before any court, administrative, regulatory or similar agency or tribunal.

(f) Not a Non-Resident. The Purchaser is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

SCHEDULE "C"
REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

The Subscriber hereby represents and warrants to Royal Nickel as follows and acknowledges that Royal Nickel is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(g) Organization. The Subscriber is an exempted partnership and is validly subsisting under the Laws of Bermuda.

(h) Consents and Approvals. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, or permit from, any Governmental Body is required to be obtained or made by or with respect to the Subscriber in connection with the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby.

(i) Capacity. The Subscriber has the requisite power and capacity to execute and deliver this Agreement and to perform its obligations hereunder and to complete the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Subscriber and the completion of the transactions contemplated hereby by it have been duly authorized and no other corporate proceedings on the part of the Subscriber are necessary to authorize the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby by the Subscriber.

(j) Binding Agreement. This Agreement has been duly executed and delivered by the Subscriber and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally and to general principles of equity.

(k) No Bankruptcy Proceedings. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Subscriber, threatened against Subscriber before any court, administrative, regulatory or similar agency or tribunal.

(l) No Offering Memorandum. The Subscriber has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of Royal Nickel which has been prepared specifically for delivery to, and reviewed by, prospective purchasers in order to assist them in making an investment decision in respect of the Private Placement.

(m) Accredited Investor. The Subscriber is resident in, or otherwise subject to the Applicable Laws of Bermuda and is an "accredited investor" within the meaning of NI 45-106 (by virtue of paragraph (m) of the definition) and is subscribing for the Private Placement Shares as principal for its own account, not for the benefit of any other person;

(n) No Future Representations. No person has made to the Subscriber any written or oral representation:

(i) that any person will resell or repurchase any of the Private Placement Shares to be acquired by the Subscriber pursuant to the Private Placement;

(ii) that any person will refund the purchase price of the Private Placement Shares;

(iii) as to the future price or value of any of the Private Placement Shares; or

(iv) as to the Applicable Laws related to the taxation of the issuance or the resale of any common shares of Royal Nickel.

(o) No Prospectus. The Subscriber is knowledgeable of, or has been independently advised as to, the Applicable Laws of the Subscriber's jurisdiction of residence which would apply to the transactions contemplated by this Agreement, if there are any, and the issuance of the Private Placement Shares to the Subscriber contemplated hereunder complies with all such Applicable Laws and will not cause Royal Nickel or any of its Affiliates or any of their respective directors or officers to become subject to or require compliance with any disclosure, prospectus or reporting requirements under any such Applicable Laws nor to make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the Subscriber's jurisdiction of residence;

(p) Purchasing as Principal. The Subscriber is making the investment in Royal Nickel by way of private placement as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Private Placement Shares nor for the purposes of acquiring control of Royal Nickel either by itself or in concert with any other person.

(q) Risks. The Subscriber acknowledges that:

(i) there are risks associated with the subscription for the Private Placement Shares;

(ii) there are restrictions on the Subscriber's ability to resell the Private Placement Share and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Private Placement Shares; and

(iii) Royal Nickel is relying on an exemption in applicable Securities Laws from the requirements to provide the Subscriber with a prospectus and the

Subscriber understands that the exemption releases Royal Nickel from the requirements to provide the Subscriber with a prospectus and, as a consequence of acquiring the Private Placement Shares pursuant to such exemption, certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber;

(r) Risk of Investment. The Subscriber is able to bear all economic risks of an investment in the Private Placement Shares, including the risk of losing part or all of its investment; and

(s) Not a Control Person. the Subscriber is not a "control person" of Royal Nickel as defined in the Securities Laws.

SCHEDULE "D"
FORM OF AMENDING AGREEMENT

SCHEDULE "E"
FORM OF SUPPLEMENTAL DEED OF HYPOTHEC

EXECUTION COPY

AMENDING AGREEMENT
TO NET SMELTER RETURNS ROYALTY AGREEMENT

THIS AMENDING AGREEMENT made as of July 8, 2015;

BETWEEN:

Royal Nickel Corporation, a corporation existing under the laws of Canada (the "**Payor**")

\- and -

8248567 Canada Limited, a corporation existing under the laws of Canada (the "**Recipient**")

WHEREAS:

A. The Payor and the Recipient entered into a net smelter returns royalty agreement dated as of May 10, 2013 (the "**Royalty Agreement**").

B. The Payor, the Recipient and Orion Mine Finance (Master) Fund I LP entered into an investment agreement dated July8, 2015 (the "**Investment Agreement**").

C. The Investment Agreement provides that the Payor shall grant to the Recipient an additional 0.75% net smelter returns royalty on the Property.

D. The Recipient has advanced additional funds to the Payor and the Payor has agreed to amend the Royalty Agreement to reflect the increase in the Royalty rate from 1% to 1.75% as provided for in this Amending Agreement.

E. In connection with the additional 0.75% net smelter returns royalty on the Property, the Payor has agreed to grant a supplemental hypothec (the "**Supplemental Hypothec**") as more particularly described in the Supplemental Deed of Hypothec (as defined in section 3 of this Amending Agreement).

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. <u>Interpretation</u>

Subject to section 3 (iii) of this Amending Agreement, capitalized terms used and not otherwise defined in this Amending Agreement have the meanings ascribed thereto in the Royalty Agreement.

2. Amendments to the Royalty Agreement

(i) The definition of "**Royalty**" in section 1.1 of the Royalty Agreement is hereby amended by deleting it in its entirety and inserting in its place the following:

" "**Royalty**" means 1.75% of the Net Smelter Returns."

(ii) Appendix "A" – *Description of Property* of the Royalty Agreement is hereby confirmed in its entirety except that the claim that appears in position number 233 on the list as "CDC 2200724" in Appendix "A" of the Royalty Agreement is hereby corrected to be shown as claim number "CDC 2220724".

(iii) The following is hereby added as section 2.7 to the Royalty Agreement:

"**2.7 Reduction in Rate of Net Smelter Returns Royalty**

(a) Subject to Section 2.7 (b) below, the Payor will have the option (the "**Repurchase Option**") to repurchase 0.375% of the 1.75% Royalty (resulting in a 1.375% remaining Royalty) by paying the Recipient $15,000,000 (the "**Royalty Reduction Payment**") and by providing Notice to the Recipient at least 30 days prior to the date that is the third, fourth or fifth anniversary of the date hereof.

(b) The Repurchase Option shall only be exercisable to be effective on the third, fourth or fifth anniversary of the date hereof and at no other time. For greater certainty, the Repurchase Option is only exercisable once.

(c) Upon payment of the Royalty Reduction Payment, the Royalty to which the Recipient is entitled pursuant to this Royalty Agreement shall be reduced from 1.75% to 1.375% and all other remaining provisions of this Royalty Agreement shall remain unamended. For greater certainty, any Gross Proceeds received or deemed received by the Payor prior to the effective date of the Repurchase Option will be subject to the royalty rate of 1.75%."

(iv) Section 9.1 (b) (viii) of the Royalty Agreement is hereby amended by deleting it in its entirety and inserting in its place the following:

"(viii) the disclosure is made on a confidential basis to a prospective assignee or financier of the Party, to a potential purchaser of the Royalty or to any other person who proposes to enter into contractual relations with the Party and agrees to keep the disclosure confidential in accordance with this Section 9.1."

3. Supplement Deed of Hypothec

(i) As security for the payment of the Royalty, as increased by this Amending Agreement, and for compliance by the Payor of all its obligations and covenants under the Royalty Agreement, as amended by this Agreement, the Payor shall, concurrent with the execution of this Amending Agreement, sign a notarized supplemental deed of hypothec (the "**Supplemental Deed of Hypothec**") in substantially the form attached as Schedule "E" to the Investment Agreement.

(ii) The Payor will, upon request by the Recipient, sign and deliver to the Recipient, and the Recipient may register or otherwise record against the Payor Property Interest the Supplemental Deed of Hypothec, and any other similar document or documents as the Recipient may reasonably request that will have the effect of giving notice of the existence of the Supplemental Hypothec and making it opposable to third Persons, including the State (as referred in the *Mining Act* (Québec)), and securing payment of the Royalty, as amended by this Agreement, and compliance with the covenants and obligations of the Payor under the Royalty Agreement.

(iii) As and from the date of this Amending Agreement, all references to:

(a) "Royalty Agreement" in the Royalty Agreement mean and include this Amending Agreement in addition to the Royalty Agreement;

(b) "Hypothec" in the Royalty Agreement mean and include the Supplemental Hypothec in addition to the Hypothec; and

(c) "Deed of Hypothec" in the Royalty Agreement mean and include the Supplemental Deed of Hypothec in addition to the Deed of Hypothec.

4. General

(i) The amendments to the Royalty Agreement and the provisions of this Amending Agreement are made and agreed to without novation with respect to the Royalty Agreement and without a derogation to its terms and conditions. The provisions of this Amending Agreement and the amendments made thereby shall be merged and incorporated into, and shall form part of, the Royalty Agreement as of the date first above written. Except for such provisions, each and every other provision of the Royalty Agreement remains unchanged, in full force and effect and continues to be binding on the parties.

(ii) This Amending Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

(iii) This Amending Agreement will be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein, other than such laws relating to conflict of laws. Each of the Parties irrevocably agrees to the jurisdiction of the courts of the Province of Quebec with respect to any matters arising out of this Amending Agreement.

(iv) The Royalty Agreement shall hereafter be read and construed together with this Amending Agreement and in the event of any conflict or inconsistency between the provisions of this Amending Agreement with the provisions of the Royalty

Agreement, the provisions of this Amending Agreement shall prevail and govern the interpretation thereof.

(v) This Amending Agreement may be executed in counterparts with the same effect as if both Parties had signed the same document. Both counterparts will be construed together and will constitute one and the same agreement. This Amending Agreement may be transmitted by facsimile or electronic transmission and if so transmitted this Amending Agreement shall be for all purposes as effective as if the Parties had delivered an executed original of this Amending Agreement.

(vi) The Parties have expressly required that this Amending Agreement, any communication and all other contracts, documents and notices relating to this Amending Agreement be drafted in the English language. Les parties ont expressément exigé que la présente convention, la communication et tous les autres contrats, documents et avis qui y sont afférents soient rédigés dans la langue anglaise.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Amending Agreement as of the date first above written.

ROYAL NICKEL CORPORATION

By: ______________________________
Name: Timothy Hollaar
Title: Chief Financial Officer

8248567 CANADA LIMITED

By: ______________________________
Name: Gordon J. Fretwell
Title: President

IN WITNESS WHEREOF the Parties have executed this Amending Agreement as of the date first above written.

ROYAL NICKEL CORPORATION

By: ______________________________
Name: Timothy Hollaar
Title: Chief Financial Officer

8248567 CANADA LIMITED

By: ______________________________
Name: Gordon J. Fretwell
Title: President

SUPPLEMENTAL DEED OF HYPOTHEC

On the eighth (8th) day of July, Two Thousand and Fifteen (2015) in the City of Montreal, Province of Quebec.

Before Mtre Shalini Sangani, the undersigned Notary of the Province of Quebec, practising at Montreal, Quebec.

APPEARED : **ROYAL NICKEL CORPORATION**, a corporation existing under the *Canada Business Corporations Act* having its registered or head office and domicile (within the meaning of the *Civil Code of Québec*) at 220, Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4, herein acting and represented by Mélanie Dupuis-Giuliani, its duly authorized representative pursuant to a resolution of its Board of Directors, a copy or duplicate of which is hereunto annexed after having been acknowledged to be true and signed by the said representative with and in the presence of the undersigned Notary;

GRANTOR OR PARTY OF THE FIRST PART

AND: **8248567 CANADA LIMITED**, a corporation existing under the Canada Business Corporations Act, having an office at 26, Burnaby Street, Hamilton, HM 11, Bermuda, herein acting and represented by Jessica Collin, its duly authorized representative pursuant to a resolution of its Board of Directors, a copy or duplicate of which is hereunto annexed after having been acknowledged to be true and signed by the said representative with and in the presence of the undersigned Notary, and whose notice of address was registered on May 10, 2013 in the land register under number 6 723 856 as changed by notice of change of address registered on July 22, 2013 under same registration number;

GRANTEE OR PARTY OF THE SECOND PART

WHEREAS the Grantor and Grantee have signed a Net Smelter Returns Royalty Agreement dated May 10, 2013 (the "**Original Royalty Agreement**") a redacted copy of which is attached to the original of this Supplemental Deed of Hypothec as Appendix "A", after having been acknowledged to be true and signed by the representatives of the parties with and in the presence of the undersigned Notary.

WHEREAS to secure the obligations and undertakings of the Grantor pursuant to the Original Royalty Agreement, the Grantor and the Grantee have signed a deed of hypothec received by Mtre Steve Collins, notary, on May 10, 2013 under number 2044 of his minutes and duly registered at the Land Registry Office of the Registration Division of Abitibi under number 19 924 043 and at the public register of real and immovable mining rights kept at the Ministry of Energy and Natural Resources of Quebec pursuant to section 11 of the *Mining Act* (Quebec) under number 55160 (the "**Original Deed of Hypothec**").

WHEREAS, concurrently with the signing of the present deed, the Grantor and the Grantee have signed an agreement amending the

Original Royalty Agreement, principally to amend the percentage of the Royalty as defined in the Original Royalty Agreement from 1% to 1,75%, amongst other amendments (the "**Amending Agreement**"), a draft of which is attached to the original of this Supplemental Deed of Hypothec as Appendix "B", after having been acknowledged to be true and signed by the representatives of the parties with and in the presence of the undersigned Notary.

WHEREAS in order to additionally secure the obligations of the Grantor under the Royalty Agreement as amended by the Amending Agreement, the Grantor and the Grantee wish to supplement the Original Deed of Hypothec with this Supplemental Deed of Hypothec, on the terms and conditions set forth herein.

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** The following words and expressions, whenever used in this Supplemental Deed or in any deed, document or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the following meanings:

1.1.1 "**Amending Agreement**" shall have the meaning ascribed thereto in the recitals hereof;

1.1.2 "**Amount Owed**" shall have the meaning ascribed to it in subsection 7.1.1 of this Supplemental Deed;

1.1.3 "**Applicable Law**" shall have the meaning ascribed thereto from time to time in the Royalty Agreement;

1.1.4 "**Applicable Rate**" means the rate of interest expressed as an annual rate announced from time to time by the Canadian Imperial Bank of Commerce as its reference rate then in effect for determining interest rates in Canadian dollars commercial loans in Canada, commonly known as its prime rate, plus two percent (2 %) as established at the close of business on the day preceding that on which the interest rate must be fixed;

1.1.5 "**Commodity Prices**" means the commodity prices for any future year based on the average of the most recently published prices for that year of all of the Selected Commodity Analysts that have been published during the calendar quarter just ended;

1.1.6 "**Business Day**" means for any act to be performed in the Province of Quebec or for calculation of time periods pursuant to Applicable Law, any other day than a Saturday or Sunday or statutory holiday in the Province of Quebec;

1.1.7 "**Dumont Project**" means the Dumont Nickel Project of the Grantor located in the Abitibi Mining Camp, 25 km northwest of the town of Amos in the Province of Quebec, Canada.

1.1.8 "**Event of Default**" shall have the meaning ascribed thereto in Section 6.1;

1.1.9 **"Governmental Authority"** shall have the meaning ascribed to the expression **"Governmental Body"** in the Royalty Agreement;

1.1.10 **"Grantee"** means the party of the second part;

1.1.11 **"Grantor"** means the party of the first part;

1.1.12 **"Hypothecated Property"** shall have the meaning ascribed thereto in Section 2.1;

1.1.13 **"Insolvency Law"** means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), the *US Bankruptcy Code*, each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency, winding-up, dissolution, restructuring, reorganization, liquidation or other similar law of any jurisdiction or any law of any jurisdiction (including, without limitation, any corporate law relating to arrangements, reorganizations or restructurings) permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it;

1.1.14 **"Lien"** means with respect to any property or asset, any hypothec, prior claim, security interest, mortgage, pledge, prohibition, injunction, restriction, lien, charge, assignment, option, claim, promise to contract, compromise or other encumbrance or interest of any kind, upon any such property or asset, or upon the income, revenue or profits therefrom, including (i) any right to participate in revenues, profits, royalties, rents or other income in any way derived from or attributable to such property or asset or any rights arising therefrom; (ii) any acquisition of or option to acquire any property or asset upon conditional sale or other title retention agreement, device or arrangement (including any capital lease); (iii) any sale, assignment, pledge or other transfer for security of any accounts, intangibles or chattel paper, with or without recourse; and (iv) any agreement to create or grant any of the foregoing;

1.1.15 **"Obligations"** means the payment to the Grantee of the Royalty (including, when applicable, interest at the Applicable Rate on any amount in default) in accordance with the terms of the Royalty Agreement, as well as the payment of all other sums, if any, from time to time due to Grantee under the Original Deed of Hypothec and this Supplemental Deed of Hypothec or the Royalty Agreement and the performance by the Grantor of, and its compliance with, all of Grantor's obligations and covenants under the Original Deed of Hypothec, the Supplemental Deed of Hypothec and the Royalty Agreement;

1.1.16 **"Original Deed of Hypothec"** has the meaning ascribed thereto in the Recitals.

1.1.17 **"Original Royalty Agreement"** has the meaning ascribed thereto in the Recitals.

1.1.18 **"Permitted Encumbrances"** shall have the meaning ascribed thereto in the Royalty Agreement;

1.1.19 **"Permitted Hypothecs"** shall have the meaning ascribed thereto in the Royalty Agreement;

1.1.20 **"Person"** includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity;

1.1.21 "**Royalty**" shall have the meaning ascribed thereto in the Royalty Agreement, as amended by the Amending Agreement;

1.1.22 "**Royalty Agreement**" means the Original Royalty Agreement, as amended by the Amending Agreement, as both may be further amended, supplemented, restated or otherwise modified in writing at any time and from time to time;

1.1.23 "**Royalty Net Present Value**" means the value determined, as of the relevant date, by calculating the net present value of the cash flows generated from the Royalty (calculated in accordance with the Royalty Agreement), using the then most current life of mine model, a discount rate of 8% and published Selected Commodity Analysts consensus annual future Commodity Prices;

1.1.24 "**Selected Commodity Analysts**" means the respective division, group, or entity of each of the following which is responsible for forecasting metals prices of: (i) for nickel, cobalt, palladium and platinum: Citigroup, UBS, Deutsche Bank, Credit Suisse, Macquarie, Morgan Stanley, Bank of America, Merill Lynch, Toronto Dominion Bank, Bank of Nova Scotia and Royal Bank of Canada, and (ii) for copper, the same analysts as for nickel, cobalt, palladium and platinum together with Brook Hunt, as the same may be updated by the Parties, acting reasonably, in writing from time to time in order to remove and replace any institution that ceases to publish the relevant information;

1.1.25 "**this Supplemental Deed of Hypothec**", "**these presents**", "**herein**", "**hereby**", "**hereunder**", "**hereof**", "**hereto**" and other similar expressions refer to this Supplemental Deed of Hypothec, its accompanying schedules and appendices, as well as any and every deed or other instrument which is supplemental or ancillary hereto or is in implementation hereof, the whole as same may be further amended, supplemented or restated or otherwise modified in writing at any time and from time to time

1.2 **Interpretation**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" (unless such phrase already follows such words). The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (**a**) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set out herein), (**b**) any reference herein to any law or statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such law, statute or section as amended, restated or re-enacted from time to time, (**c**) in the event of an assumption of the obligations of the Grantor under this Supplemental Deed of Hypothec in accordance with section 8.3 of the Royalty Agreement by a transferee that acquires the Dumont Project, all references to the Grantor under this Supplemental Deed of Hypothec shall thereafter be references to the transferee, (**d**) the words "this Supplemental Deed of Hypothec", "these presents", "herein", "hereby", "hereof", "hereunder" or "hereto", and words of similar import without reference to a specific article, section, subsection, paragraph, Schedule or Appendix, shall be construed to refer to this Supplemental Deed of Hypothec in its entirety and not to any particular provision hereof, and (e) all references herein to an article, section, subsection, paragraph, Schedule or Appendix shall be construed to refer to the corresponding article, section, subsection, paragraph, Schedule and Appendix to this Supplemental Deed of Hypothec; article, section, Schedule and Appendix headings are for convenience of reference only, are not part of this Supplemental Deed of Hypothec and shall not affect the construction of, or be taken into consideration in interpreting this Supplemental Deed of Hypothec. The division of this Supplemental Deed of Hypothec into articles, sections, subsections and paragraphs are for convenience of reference only and do not affect the meaning or the interpretation of this Supplemental Deed of Hypothec.

1.3 Benefits of this Supplemental Deed of Hypothec. The parties hereto shall be bound by the provisions of this Supplemental Deed of Hypothec and the benefits, rights, remedies or claims hereunder shall enure to them to the exclusion of any others.

1.4 Original Deed of Hypothec.

1.4.1 This Supplemental Deed of Hypothec is executed under express reserve by the Grantor of the hypothecs and security granted, and of all other rights subsisting in favour of the Grantor under the Original Deed of Hypothec and without novation of any kind or derogation from the provisions thereof or the rank or priority thereof (except as supplemented or otherwise modified by this Supplemental Deed of Hypothec). The Grantor hereby expressly acknowledges and confirms the hypothec and other security constituted pursuant to the Original Deed of Hypothec and further confirms and agrees that the Original Deed of Hypothec shall continue in full force and effect in accordance with the terms thereof, except as supplemented or otherwise modified herein.

1.4.2 This Supplemental Deed of Hypothec is supplemental to the Original Deed of Hypothec, is to form part of and shall have the same effect as if incorporated in the Original Deed of Hypothec, and the Original Deed of Hypothec and this Supplemental Deed of Hypothec shall henceforth be read together and shall have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument. Except as supplemented hereunder, the Original Deed of Hypothec shall continue in full force and effect in accordance with its terms. Any reference to the "Deed" or the "Deed of Hypothec" or the "Original Deed of Hypothec" in the Royalty Agreement and in any other financial or investment agreement in connection with the Dumont Project shall be a reference to the Original Deed of Hypothec as supplemented by this Supplemental Deed of Hypothec, and as same may be further supplemented, amended, restated or otherwise modified by any deed or document supplemental or complementary thereto or restating the foregoing deeds.

ARTICLE 2
HYPOTHECS

2.1 Principal Hypothec. As a general and continuing collateral security for the performance by the Grantor of, and its compliance with, the Obligations, the Grantor hereby hypothecates to and in favour of the Grantee, the following property (collectively referred to herein as the

"**Hypothecated Property**"), to the extent of the amount of One hundred and fifty million dollars ($150,000,000), representing the amount of Seventy-five million dollars ($75,000,000) referred to in the Original Deed of Hypothec and an additional hypothec of Seventy-five million dollars ($75,000,000) hereunder, with interest thereon at the rate of twenty-five percent (25%) per annum:

2.1.1 The present or future rights, title and interest of the Grantor in and to the Dumont Project mining claims described in the **First Schedule** to this Supplemental Deed of Hypothec, in and to the universality of all mining claims, mining leases and any other mining title or right, deed or right to mineral substances or right to carry out work on land for the purposes of exploration, appraisal, development and extraction of mineral substances now or in the future resulting from the addition to, or the renewal, conversion, replacement or any other transformation of, the Dumont Project mining claims described in the First Schedule, or of any other claims, leases, title, deed or right of the nature or kind referred to above, in reference to the Dumont Project;

2.1.2 the universality of all proceeds of all insurance policies taken out by the Grantor or on its behalf, at any time and from time to time, in respect of any of the Hypothecated Property;

2.1.3 the universality of all proceeds of expropriation awards or indemnities paid or payable at any time and from time to time in connection with any of the Hypothecated Property.

ARTICLE 3
POSSESSION, USE AND RELEASE OF THE HYPOTHECATED PROPERTY

3.1 Possession and Use. Until the Grantor has surrendered or is bound to surrender the whole or any part of the Hypothecated Property under the terms of any Applicable Law, the Grantor, subject, however, to the express terms hereof and the terms of the Royalty Agreement, shall be entitled and permitted to possess the Hypothecated Property and to manage, develop, operate, use and enjoy the same.

3.2 Appointment of a Receiver. If a receiver, a sequestrator or any other similar officer, lawfully appointed, takes possession of the Hypothecated Property, the rights of the Grantor under section 8.3 of the Royalty Agreement may be exercised by such receiver, sequestrator or other similar officer subject to the limitations imposed upon the Grantee in that respect under the provisions of Article 7; likewise, if the Grantee takes possession of the Hypothecated Property pursuant to the terms hereof, it, in its discretion, may exercise the same powers, subject to the limitations imposed upon it under the provisions of Article 7.

3.3 Release in Case of Expropriation. In the event of any taking of possession of any part of the Hypothecated Property by expropriation or order of a court or other similar power, or of any sale or conveyance by the Grantor in lieu of such taking of possession and in reasonable anticipation thereof where proceedings therefor might lawfully be exercised to vest such property in the Grantee for the same purposes, or in the event that any Governmental Authority shall at any time exercise any right which it may have to acquire any part of the Hypothecated Property, the Grantee may release the Hypothecated Property so taken or acquired upon the deposit with the Grantee of a sum equal to (y) the proceeds of any such taking of possession or exercise of any such right of acquisition, or (z) in a case of a sale in anticipation of such taking of possession, the proceeds of such sale.

3.4 <u>Grantee May Refuse Release</u>. Unless otherwise permitted under the terms of the Royalty Agreement, the Grantee may refuse to release any asset or right from the Liens created hereunder if, in its reasonable opinion, any declaration or opinion contained in any certificate, resolution, evaluation report or any other document to be submitted to the Grantee under the terms of the present Article, is not sufficiently substantiated and until such declaration or opinion is substantiated to the satisfaction of the Grantee.

ARTICLE 4
APPLICATION OF MONEY RECEIVED

4.1 <u>Use of Moneys Not Otherwise Released</u>. All the sums of money held by the Grantee under the provisions of this Supplemental Deed of Hypothec and the Original Deed of Hypothec and all other sums of money of which the Grantee is depositary in virtue of this Supplemental Deed of Hypothec or the Original Deed of Hypothec and in respect of which no other specific provision of the Royalty Agreement regulates the use thereof, are held by the Grantee as security for the payment of the Obligations. However, the Grantee, notwithstanding the provisions of Article 1572 and the second paragraph of Article 2743 of the *Civil Code of Quebec* and every other legal rule concerning the imputation of payments, may apply such moneys to the full or partial reduction and to such of the indebtedness forming part of the Obligations, the whole as the Grantee may deem appropriate. Such sums may be placed on deposit by the Grantee at the current rate of interest with a chartered bank, a trust company in Canada or a reputable financial institution. All interest, fruits and revenues generated by the deposit of such sums by the Grantee shall constitute, for the purposes hereof, Hypothecated Property.

ARTICLE 5
COVENANTS OF THE GRANTOR

5.1 <u>Covenants.</u> So long as any Obligation is outstanding or unpaid, the Grantor covenants and agrees as follows:

5.1.1 <u>Payment</u>. That it will truly and punctually pay or cause to be paid the Royalty pursuant to and in accordance with the terms of the Royalty Agreement, any other amount owed to the Grantee pursuant to the terms of the Original Deed of Hypothec or this Supplemental Deed of Hypothec or the Royalty Agreement and interest to become due in respect thereto, as applicable, on the dates, at the place, in the currency, for the amounts and in the manner provided for with respect thereto herein or therein.

5.1.2 <u>Maintenance of Security</u>. Subject to Permitted Hypothecs and Permitted Encumbrances, that it will fully and effectively maintain the hypothecs hereby constituted as valid and effective security and that it will perform all acts and execute and publish all documents at all applicable public registers as may be necessary to ensure that the hypothecs hereby constituted remain effective and at all times opposable to third Persons.

5.1.3 <u>Payment of Moneys Advanced by the Grantee</u>. That it will repay to the Grantee, on demand, all expenditures incurred by the Grantee in order to preserve and protect the Liens created hereunder or to perform or cause the performance of any obligation on the Grantor in connection with the Property or in recovering or seeking compliance of any of the Obligations or in enforcing the security created hereby, with interest thereon calculated and payable at the Applicable Rate, the whole without prejudice to any other rights the Grantee may now or at any time hereafter have in this respect.

5.1.4 **Facilitating Realization of Security.** That it will, from time to time, execute and do or cause to be executed or done all such documents, instruments and things and provide all such assurances as the Grantee may reasonably require in order to facilitate the realization of the Hypothecated Property, exercise all the powers and discretions hereby conferred upon the Grantee and confirm to any purchaser of any of the Hypothecated Property the title to the property sold or proposed to be sold, and the Grantor will give or cause to be given all notices and directions as the Grantee may consider appropriate.

5.1.5 **Insurance Proceeds not payment of Obligations.** That in no case shall the receipt by the Grantee of any proceeds of insurance under the terms of the Original Deed of Hypothec or this Supplemental Deed of Hypothec be deemed to be a payment on account of any Obligation, unless such proceeds are expressly and effectively imputed to the Obligations, nor shall the Liens hereby created be lessened, prejudiced or in any other way interfered with by reason of any such receipt, any Applicable Law, usage, or custom to the contrary notwithstanding.

5.1.6 **Further Documentation, Registration.** The Grantor shall from time to time, at the expense of the Grantor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Grantee may request for the purpose of obtaining or preserving the full benefits of the first rank of the hypothecs created hereunder (subject to Permitted Hypothecs and Permitted Encumbrances) and the rights and powers granted by this Supplemental Deed of Hypothec (including a notice given in virtue of Article 2949 of the *Civil Code of Québec* where the Grantor's signature is necessary, any supplemental or amending deeds in respect of any present or future mining rights comprising the Hypothecated Property and the filing or registration of any registration applications, specific deeds of hypothec or similar documents or notices under any Applicable Law with respect to the Hypothecated Property, all as applicable). Without limiting the generality of the foregoing, the Grantor shall register or cause to be registered without delay the Supplemental Deed of Hypothec at any public register where it should be registered in order to properly make the hypothec constituted hereby fully enforceable against all (including the State), including, without limiting the generality of the preceding, at the Register of Real Rights of State Resource Development of the Land Register of the Land Registration Division of Abitibi.

5.1.7 **Notices.** Subject to the Royalty Agreement, the Grantor shall advise the Grantee promptly, in reasonable detail, of any:

(a) change in the location of the jurisdiction of incorporation or amalgamation, domicile (head office or registered office) or chief executive office of the Grantor;

(b) change in the name of the Grantor;

(c) merger, consolidation or amalgamation of the Grantor with any other Person;

(d) acquisition of any right, title or interest in any mining claim, mining lease or any other mining right, to be comprised in the Hypothecated Property;

(e) any Lien (other than Permitted Hypothecs and Permitted Encumbrances), or claim asserted, against any of the Hypothecated Property; or

(f) occurrence of any event, claim or occurrence that has a material adverse effect on the value of the Hypothecated Property or on the hypothecs created by the Supplemental Deed of Hypothec.

The Grantor shall not effect or permit any of the changes referred to above unless all registrations and filings have been made and all other actions taken that are required in order for the Grantee to continue at all times following such change to have valid and opposable first ranking hypothecs (subject only to Permitted Hypothecs and Permitted Encumbrances) with respect to the Hypothecated Property.

ARTICLE 6
EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any one or more of the following events or circumstances shall constitute an event of default hereunder (herein referred to as an "**Event of Default**"):

6.1.1 Payment. Should the Grantor fail to make to the Grantee any Royalty payment when due pursuant to the Royalty Agreement or fails to make payment when due to the Grantee of any other amount that may become due by the Grantor pursuant to this Supplemental Deed of Hypothec or the Royalty Agreement within ten (10) days of a letter from Grantee demanding same;

6.1.2 Covenants. Grantor shall fail to observe or perform any covenant, condition or agreement contained in this Supplemental Deed of Hypothec or the Royalty Agreement (other than the obligations of the Grantor under section 8.3 of the Royalty Agreement, which is dealt with in section 6.1.6 below):

6.1.3 Insolvency. Grantor: (i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors; (ii) commits an act of bankruptcy under any Insolvency Law, or makes an assignment of its property for the general benefit of its creditors under any Insolvency Law, or makes a proposal (or files a notice of its intention to do so) under any Insolvency Law; (iii) institutes any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any Insolvency Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors, or files an answer admitting the material allegations of a petition filed against it in any such proceeding; (iv) applies for the appointment of, or the taking of possession by, a receiver or other similar official for it or any substantial part of its property under any Insolvency Law; or (v) takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section or in Section 6.1.4 or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defense thereof;

6.1.4 Proceedings Under Insolvency Law. Any petition is filed, application made or other proceeding instituted against or in respect of Grantor under any Insolvency Law or otherwise: (i) which adjudicates Grantor an insolvent; (ii) in which a receiving order is made against Grantor under any Insolvency Law; (iii) in which a liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of Grantor or its debts or any other relief under any Insolvency Law now or hereafter in effect has been commenced; or (iv) in which the entry of an order for relief or the appointment of, or the taking of possession by, a receiver or other similar official for Grantor or any substantial part of its property is made, and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against Grantor thereunder in the interim, such grace period shall cease to apply, and provided further that if Grantor files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period shall cease to apply;

6.1.5 Seizure of Assets. The Hypothecated Property is seized (including by way of execution, attachment, garnishment, levy or distraint), or any one or more Liens thereon securing indebtedness is enforced, or such property has become subject to any charging order or equitable execution of a Governmental Authority, or any one or more writs of execution or distress warrants exists in respect of Grantor or the Hypothecated Property, or any sheriff or other Person becomes lawfully entitled by operation of law or otherwise to seize or distrain upon such property and in any case such seizure, enforcement, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, continues in effect and is not released or discharged within thirty (30) days or such longer period during which entitlement to the use of such property continues with Grantor, and Grantor is contesting the same in good faith and by appropriate proceedings, provided that if the property is removed from the use of Grantor, or is in danger of being sold, in the interim, such grace period shall cease to apply;

6.1.6 Sale of Hypothecated Property. The Hypothecated Property is sold, transferred or otherwise disposed of by the Grantor (whether voluntarily or as a consequence of or related to an event referred to in section 6.1.3 or 6.1.4 of this Supplemental Deed of Hypothec) without complying with the provisions of section 8.3 of the Royalty Agreement;

6.1.7 Permitted Hypothecs. Grantor fails to pay when due any amounts owing under any one or more agreements or documents relating to indebtedness towards creditor(s) having from time to time security under Permitted Hypothecs or is otherwise in default under or pursuant to the terms of agreements or documents concerning such indebtedness and Permitted Hypothecs and, if there is any cure period applicable to such default, such cure period lapses without the default being cured and such creditor(s) have taken action or commenced proceedings to enforce its rights and remedies under Permitted Hypothecs; or

6.1.8 Liens. Any hypothec purported to be created by this Supplemental Deed of Hypothec shall cease to be, or shall be asserted by Grantor not to be, a valid, perfected, first priority (subject to Permitted Hypothecs and Permitted Encumbrances) Lien in the Hypothecated Property.

6.1.9 Original Deed of Hypothec. Any event of Default as defined in the Original Deed of Hypothec.

ARTICLE 7
REMEDIES

7.1 Exercise of Rights. On or after the date an Event of Default occurs, to the extent and in the manner permitted by Applicable Law and subject to any preliminary measures thereby contemplated, but without in any way limiting any of the rights, remedies or recourses which the Grantee may otherwise have under any Applicable Law or under any other deed or document:

7.1.1 Declaration. The Grantee may declare the following amount (the "**Amount Owed**"), up to an amount of one hundred and fifty million dollars ($150,000,000), as being immediately due and payable, without presentment, demand, protest or other notice of any kind (and without duplication with any Amount Owed, as defined in the Original Deed of Hypothec), all of which are hereby expressly waived by the Grantor, anything in this Supplemental Deed of Hypothec to the contrary notwithstanding, and may exercise all rights, remedies and recourses available to it hereunder and under any Applicable Law:

(a) An amount equal to the damages suffered by the Grantee as a result of an Event of Default as determined by arbitration award in accordance with Section 10.2 of the Royalty Agreement, for an Event of Default described at subsections 6.1.2, 6.1.5, 6.1.7 and 6.1.8 of this Supplemental Deed of Hypothec or at each of the equivalent provisions of the Original Deed of Hypothec;

(b) For an Event of Default provided for in subsection 6.1.3, 6.1.4 or 6.1.6 of this Supplemental Deed of Hypothec or at each of the equivalent provisions of the Original Deed of Hypothec:

(i) an amount equal to the greater of $30,000,000 and Royalty Net Present Value at the time of occurrence of the concerned Event of Default, if such Event of Default occurs prior to the first payment of Royalty under the Royalty Agreement; or

(ii) an amount equal to the Royalty Net Present Value at the time of occurrence of the concerned Event of Default, if such Event of Default occurs subsequent to the first payment of Royalty under the Royalty Agreement; or

(c) An amount equal to the amount not paid when due, for all other Events of Default.

7.1.2 Entry. The Grantee, by its officers, agents, mandataries or attorneys, may enter into and take possession of all or any part of the Hypothecated Property, with full power to carry on, manage and conduct the business operations of the Grantor, including the power to borrow money on commercially reasonable terms for and on behalf of the Grantor or for itself or on its own behalf and to advance its own moneys on commercially reasonable terms for the purposes of the undertaking, the maintenance and preservation of the Hypothecated Property or any part thereof, the payment of taxes, wages and other Liens ranking in priority to the Liens created hereunder and for the payment of current operating expenses and those incurred not more than sixty (60) days prior to such taking of possession by the Grantee. The Grantee shall have full power, in the name of and as the attorney of the Grantor, to grant and create Liens upon all or any part of the Hypothecated Property ranking in priority to the Liens created hereunder, as security for the repayment of the moneys so borrowed or advanced (and the moneys so borrowed or advanced by the Grantee shall be repaid by the Grantor on demand and, until repaid, together with the interest thereon, shall be secured by the Liens created hereunder and shall constitute a first ranking Lien on the Hypothecated Property in priority to the Obligations). The Grantee shall also have full power to collect rents, revenues, fruits and profits and to pay therefrom all the expenses, costs and advances of the Grantee in carrying on the said business operations or otherwise, and all taxes, assessments, insurance premiums and other Liens against the Hypothecated Property ranking in priority to the Obligations or the payment of which may be necessary to preserve the Hypothecated Property, and to apply the balance of the moneys so received in the same manner as if same constituted the proceeds of a sale or other realization of the Hypothecated Property.

7.1.3 Sale. The Grantee, either after such entry as aforesaid or after other entries by its officers or agents, or without any entry, may sell, lease, liquidate, transfer, alienate, create a Lien upon or otherwise dispose of or deal with the whole or any part of the Hypothecated Property, as a whole or in parts, by agreement, by a call for tenders, by public auction or by judicial authority, at such prices and upon such terms and conditions as the Grantee may consider advisable, the whole without any notice or formality whatsoever other than those expressly provided by law, the Grantee being hereby constituted the irrevocable attorney of the Grantor for the aforesaid purposes. Any such sale, lease, liquidation, transfer, alienation, Lien or other disposition of the Hypothecated Property made as aforesaid, shall be a perpetual bar both as a matter of law and as a matter of fact against the Grantor and its assigns and all other Persons claiming the Hypothecated Property or any part or parcel thereof by, from, through or under the Grantor or its assigns. The Grantee or any agent or representative thereof may become purchasers at any sale of the Hypothecated Property whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.

7.2 **Waiver of Default.** In the event that any of the security under this Supplemental Deed of Hypothec becomes enforceable, the Grantee may waive the Event of Default, and in such event the Event of Default will be waived unconditionally or upon such terms and conditions as Grantee may set and Grantee may cancel any declaration made by it pursuant to the provisions of Section 7.1.1, provided always that no act or omission of the Grantee with respect to a specific Event of Default and any security created under this Supplemental Deed of Hypothec shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

7.3 **Grantor to Surrender.** The Grantor binds and obliges itself to voluntarily surrender and to yield up possession of the Hypothecated Property and the conduct of its business in connection therewith to the Grantee on demand whenever the Grantee shall have a right to exercise any hypothecary or other right or recourse provided by Applicable Law, and the Grantor agrees not to in any way hinder but to facilitate by all legal means, the actions of the Grantee hereunder. Furthermore, the Grantor by and through its officers, directors, mandataries, agents and other representative, shall forthwith execute, on demand. such documents and transfers as may be necessary to place the Grantee in legal possession of the Hypothecated Property. Without in any way limiting the generality of any of the foregoing or affecting any other rights or recourses which the Grantee may have under any Applicable Law, the Grantor hereby expressly acknowledges and agrees that in the event of either the surrender by the Grantor or the taking of possession by the Grantee of all or any part of the Hypothecated Property as contemplated in this Article:

7.3.1 the Grantee shall be under no obligation to make the Hypothecated Property productive in any manner whatsoever, it being expressly understood and agreed that the sole objective of such possession following such a surrender or such a taking of possession (hereinafter referred to in this Section 7.3 as the "**Possession**") shall be to collect the revenues, fruits and profits of the Hypothecated Property and to apply same to the payment of the Obligations, in principal, interest, fees and accessories;

7.3.2 the Grantee shall have the right, at any time and from time to time during such Possession, to change the destination of the Hypothecated Property;

7.3.3 the Grantee shall be the primary beneficiary of its administration of the Hypothecated Property under any such Possession and, to the extent that, pursuant to any applicable provision of any Applicable Law, the Grantor is a beneficiary of such administration, any and all rights of the Grantor as such a beneficiary shall be fully subordinated and postponed to any and all rights the Grantee shall have as primary beneficiary of such administration;

7.3.4 the Grantee, at any time and from time to time during such Possession, may renounce to any right of the Grantor even without any valid consideration; and

7.3.5 the Grantee shall have no obligation to make an inventory of the Hypothecated Property, to take out any kind of insurance with respect to the Hypothecated Property or to furnish any type of security whatsoever in order to secure its obligations under this Supplemental Deed of Hypothec, the whole notwithstanding any provision to the contrary herein contained.

7.4 **Grantee Appointed Mandatary of the Grantor**. The Grantor hereby irrevocably appoints the Grantee to be its mandatary to execute and perform, for and in the name of and on behalf of the Grantor, all deeds, documents, transfers, conveyances, consents, assignments, assertions, and things which the Grantor must sign, execute and do hereunder and generally to use the name of the Grantor in the exercise of all or any one of the powers hereby conferred on the Grantee with full power of substitution and revocation, it being expressly understood that such mandate is not governed by Articles 2138 to 2148 of the *Civil Code of Quebec*, the Grantor expressly renouncing to the benefit of each and every one of the aforementioned articles. The Grantee undertakes not to exercise any of its rights under the aforementioned mandate prior to the enforcement date.

7.5 **Protection of the Grantee in respect of any Realization of the Hypothecated Property**. Notwithstanding any applicable provision of any Applicable Law to the contrary, in the context of any realization of the whole of any part of the Hypothecated Property:

7.5.1 the Grantee may, in relation to these presents, act on the opinion or advice of or information obtained from any advocate, appraiser, evaluator, auditor, engineer, surveyor, broker, auctioneer or other expert, whether obtained by the Grantee, the Grantor or otherwise, and the Grantee shall not be responsible for any loss whatsoever occasioned by acting or not acting thereon, as the case may be, except to the extent any such loss, costs, damages or inconvenience are determined by a final judgment to have directly resulted from the gross negligence or wilful misconduct of the Grantee, and it may employ any third party assistance as may be necessary for the performance of its duties and may reasonably and adequately compensate such agents and attorneys for all such information or such legal or other advice or assistance as aforesaid;

7.5.2 the Grantee shall have, as regards any administration by it of the Hypothecated Property and as regards all the powers and discretions vested in it under the terms of this Supplemental Deed of Hypothec or any applicable provision of any Applicable Law, absolute discretion as to the exercise thereof, whether in respect of the manner, the mode or the time for the exercise thereof, and the Grantee shall not be in any way responsible for any loss, costs, damages or inconvenience whatsoever that may result from the exercise or non-exercise thereof, except to the extent any such loss, costs, damages or inconvenience are determined by a final judgment to have directly resulted from the gross negligence or wilful misconduct of the Grantee;

7.5.3 the Grantee may appoint, designate or employ as their sub-agents, any attorneys, bankers, receivers, advocates, mandataries, agents, officers or other Persons and any national firm of independent chartered accountants of recognized standing in order to act for and in the name of the Grantee in any realization of the whole or any part of the Hypothecated Property and such sub-agent:

(a) shall only be authorized to act under the terms of demands, requests or instructions issued or made by the Grantee in respect of any procedure, act, power, right, matter or thing relating to or granted under the terms of its mandate; and

(b) may be replaced by any Person which the Grantee shall have accepted;

it being expressly understood, however, that the Grantee shall not in any way be responsible for the misconduct of any such sub-agent so appointed or for any loss whatsoever resulting from such misconduct or any failing of any such sub-agent and the Grantee shall not be bound to supervise the actions of any such sub-agent.

7.6 <u>Limitation of Grantee's Liability in Acting</u>. The Grantee shall not be responsible or liable, for any debts contracted by it, for damages to Persons or property or for salaries or non-fulfilment of contracts during any period wherein the Grantee shall take possession of the Hypothecated Property pursuant to the terms of any Applicable Law or this Supplemental Deed of Hypothec, except to the extent such debts, damages, salaries or non-fulfilment of contracts are determined by a final judgment to have directly resulted from the gross negligence or wilful misconduct of the Grantee, nor shall the Grantee be liable to account except in respect of amounts actually received or be liable for any loss on realization or for any default or omission for which a hypothecary or secured creditor might be liable, and the Grantee shall not be bound to do, observe or perform or to see to the observance or performance by the Grantor of any of the obligations or covenants imposed upon the Grantor under this Supplemental Deed of Hypothec nor in any way to supervise or interfere with the conduct of the Grantor's business, unless and until the security created under this Supplemental Deed of Hypothec has become enforceable and the Grantee shall have become bound to enforce the same and shall have been kept supplied with moneys reasonably necessary to provide for the expense of the required action and with satisfactory indemnity as aforesaid.

7.7 <u>Protection of Persons Dealing with the Grantee</u>. No Person dealing with the Grantee or its representatives shall be concerned to inquire whether the security created under this Supplemental Deed of Hypothec has become enforceable, or whether the right or power which the Grantee is purporting to exercise has become exercisable, or whether any money is due by the Grantor to the Grantee, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Grantee with the Hypothecated Property pursuant to the terms of any Applicable Law or this Supplemental Deed of Hypothec or to see to the application of any money paid to the Grantee, and, in the absence of fraud on the part of such Person, such dealing shall be deemed, so far as regards the safety and protection of such Persons, to be within the powers conferred under this Supplemental Deed of Hypothec and to be valid and effectual accordingly.

7.8 <u>Uncontrolled Discretion to Exercise Powers</u>. The Grantee, except as otherwise provided in this Supplemental Deed of Hypothec shall, as regards all the rights, powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof, except to the extent such loss, costs, damages or inconvenience are determined by a final judgment to have directly resulted from the gross negligence or wilful misconduct of the Grantee.

7.9 <u>Not Liable for Defects in Title</u>. The Grantee shall not be liable for or by reason of any failure or defect of title to or any Lien upon the Hypothecated Property, or for or by reason of the statements of facts or recitals contained in this Supplemental Deed of Hypothec or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Grantor, and it shall not be the duty of the Grantee, and nothing contained in this Supplemental Deed of Hypothec shall in any way cast any obligation upon the Grantee, to see to the registration or filing or renewal of this Supplemental Deed of Hypothec or any other deed or writing relating to the Hypothecated Property or any part thereof, or to any other property of the Grantor, or to procure any additional hypothec or other additional security instrument of further assurance, or to do any other act for the continuance of the Liens created under this Supplemental Deed of Hypothec, or for giving notice of the existence of such Liens, or for extending or supplementing the same or to insure or keep insured, against loss or damage by fire or otherwise, the Hypothecated Property or any part thereof or to keep itself informed or advised as to the payment by the Grantor of any taxes or assessments or premiums of insurance or other payments which such Grantor should make.

ARTICLE 8
MISCELLANEOUS

8.1 Separate Security. To the extent this may become applicable, the present Supplemental Deed of Hypothec and the hypothec created therein shall be, subject to the terms hereof (including Section 1.4) in addition to and not in substitution for, any other security held by the Grantee for the fulfilment of the Obligations and shall thus not operate as a novation of any Obligation of the Grantor towards the Grantee.

8.2 Continuing Security. The hypothec created herein shall constitute continuing security which shall remain in full force and effect as long as the Royalty Agreement shall be in force and effect.

8.3 Notice. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be given or made, or be deemed to have been duly given or made, in accordance with the terms of the Royalty Agreement.

8.4 Severability. Any provision of this Supplemental Deed of Hypothec which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

8.5 Governing Law. This Supplemental Deed of Hypothec and the interpretation and enforcement thereof shall be governed by and in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein. The Grantor irrevocably submits to the exclusive jurisdiction of the courts of the Province of Quebec with respect to any matter arising hereunder or in relation herewith.

8.6 Formal Date. For the purposes of convenience, this Supplemental Deed of Hypothec may be referred to as bearing formal date of July 8, 2015 irrespective of the actual date of its execution.

8.7 Successors and Assigns. This Supplemental Deed of Hypothec shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

ARTICLE 9
LANGUAGE

9.1 English Language. The parties hereto have expressly required that the present Supplemental Deed of Hypothec and all deeds, documents and notices relating thereto be drafted in the English language.

9.2 Langue Anglaise. Les parties aux présentes ont expressément exigé que le présent acte d'hypothèque supplémentaire et tous les autres contrats, documents et avis qui y sont afférents soient rédigés en langue anglaise.

ARTICLE 10
SCHEDULE

The following is the Schedule of this Supplemental Deed of Hypothec referred to above.

FIRST SCHEDULE

DUMONT PROJECT MINING CLAIMS

DESCRIPTION

(a) **One hundred and eighty (180) mining claims** located in the Townships of Launay and Trécesson, Municipalities of Launay, Trecesson and Berry, in the Province of Québec respectively registered under land file serial numbers 84-A-1850 to 84-A-1876 and 84-A-1911 to 84-A-2063 of the Register of Real Rights of State Resource Development of the Land Register of the Land Registration Division of Abitibi, as follows:

Land File Serial #	Mining Claim
84-A-1 850	CDC 2152798
84-A-1 851	CDC 2152799
84-A-1 852	CDC 2025446
84-A-1 853	CDC 2025447
84-A-1 854	CDC 2025448
84-A-1 855	CDC 2025449
84-A-1 856	CDC 2025450
84-A-1 857	CDC 2025451
84-A-1 858	CDC 2025452
84-A-1 859	CDC 2025453
84-A-1 860	CDC 2025454
84-A-1 861	CDC 2025455
84-A-1 862	CDC 2025456
84-A-1 863	CDC 2025457
84-A-1 864	CDC 2031504
84-A-1 865	CDC 2031505
84-A-1 866	CDC 2031506
84-A-1 867	CDC 2054892
84-A-1 868	CDC 2054894
84-A-1 869	CDC 2054895
84-A-1 870	CDC 2054896
84-A-1 871	CDC 2054897
84-A-1 872	CDC 2054898
84-A-1 873	CDC 2054899
84-A-1 874	CDC 2054900
84-A-1 875	CDC 2054901
84-A-1 876	CDC 2054902
84-A-1 911	CDC 2031507
84-A-1 912	CDC 2031508
84-A-1 913	CDC 2031509

Land File Serial #	Mining Claim
84-A-1 914	CDC 2031510
84-A-1 915	CDC 2031511
84-A-1 916	CDC 2054109
84-A-1 917	CDC 2054110
84-A-1 918	CDC 2054111
84-A-1 919	CDC 2054112
84-A-1 920	CDC 2054113
84-A-1 921	CDC 2054114
84-A-1 922	CDC 2054115
84-A-1 923	CDC 2054116
84-A-1 924	CDC 2054117
84-A-1 925	CDC 2054118
84-A-1 926	CDC 2054119
84-A-1 927	CDC 2054120
84-A-1 928	CDC 2054121
84-A-1 929	CDC 2054122
84-A-1 930	CDC 2054123
84-A-1 931	CDC 2054124
84-A-1 932	CDC 2054125
84-A-1 933	CDC 2054126
84-A-1 934	CDC 2054127
84-A-1 935	CDC 2054128
84-A-1 936	CDC 2054129
84-A-1 937	CDC 2054130
84-A-1 938	CDC 2054131
84-A-1 939	CDC 2054132
84-A-1 940	CDC 2054133
84-A-1 941	CDC 2054893
84-A-1 942	CDC 2137941
84-A-1 943	CDC 2137943

Land File Serial #	Mining Claim
84-A-1 944	CDC 2180762
84-A-1 945	CDC 2180763
84-A-1 946	CDC 2180764
84-A-1 947	CDC 2180765
84-A-1 948	CDC 2180766
84-A-1 949	CDC 2180767
84-A-1 950	CDC 2180768
84-A-1 951	CDC 2180769
84-A-1 952	CDC 2180770
84-A-1 953	CDC 2180771
84-A-1 954	CDC 2180772
84-A-1 955	CDC 2180773
84-A-1 956	CDC 2180774
84-A-1 957	CDC 2180775
84-A-1 958	CDC 2180776
84-A-1 959	CDC 2180777
84-A-1 960	CDC 2180778
84-A-1 961	CDC 2180779
84-A-1 962	CDC 2180780
84-A-1 963	CDC 2180781
84-A-1 964	CDC 2180782
84-A-1 965	CDC 2180783
84-A-1 966	CDC 2180784
84-A-1 967	CDC 2180785

84-A-1 968	CDC 2180786
84-A-1 969	CDC 2180787
84-A-1 970	CDC 2180788
84-A-1 971	CDC 2180789
84-A-1 972	CDC 2180790
84-A-1 973	CDC 2180791
Land File Serial #	**Mining Claim**
84-A-1 974	CDC 2180792
84-A-1 975	CDC 2180793
84-A-1 976	CDC 2180794
84-A-1 977	CDC 2180795
84-A-1 978	CDC 2180796
84-A-1 979	CDC 2180797
84-A-1 980	CDC 2180798
84-A-1 981	CDC 2180799
84-A-1 982	CDC 2180800
84-A-1 983	CDC 2180801
84-A-1 984	CDC 2180802
84-A-1 985	CDC 2180803
84-A-1 986	CDC 2180804
84-A-1 987	CDC 2180805
84-A-1 988	CDC 2180806
84-A-1 989	CDC 2180807
84-A-1 990	CDC 2180808
84-A-1 991	CDC 2180809
84-A-1 992	CDC 2180810
84-A-1 993	CDC 2204674
84-A-1 994	CDC 2204675
84-A-1 995	CDC 2204676
84-A-1 996	CDC 2204677
84-A-1 997	CDC 2204678
84-A-1 998	CDC 2204679
84-A-1 999	CDC 2224811
84-A-2 000	CDC 2224812
84-A-2 001	CDC 2224813
84-A-2 002	CDC 2224814
84-A-2 003	CDC 2224815
Land File Serial #	**Mining Claim**
84-A-2 004	CDC 2229201
84-A-2 005	CDC 2229202
84-A-2 006	CDC 2229203
84-A-2 007	CDC 2235659
84-A-2 008	CDC 2247681
84-A-2 009	CDC 2247682
84-A-2 010	CDC 2249118
84-A-2 011	CDC 2251083
84-A-2 012	CDC 2255617
84-A-2 013	CDC 2255618
84-A-2 014	CDC 2255619
84-A-2 015	CDC 2255620
84-A-2 016	CDC 2255621
84-A-2 017	CDC 2255622
84-A-2 018	CDC 2255623
84-A-2 019	CDC 2255624
84-A-2 020	CDC 2255625
84-A-2 021	CDC 2255626
84-A-2 022	CDC 2255627
84-A-2 023	CDC 2255628
84-A-2 024	CDC 2255629
84-A-2 025	CDC 2255630
84-A-2 026	CDC 2255631
84-A-2 027	CDC 2255632
84-A-2 028	CDC 2255633
84-A-2 029	CDC 2255634
84-A-2 030	CDC 2255635
84-A-2 031	CDC 2255636
84-A-2 032	CDC 2255637
84-A-2 033	CDC 2255638
Land File Serial #	**Mining Claim**
84-A-2 034	CDC 2255639
84-A-2 035	CDC 2255640
84-A-2 036	CDC 2255641
84-A-2 037	CDC 2255642
84-A-2 038	CDC 2255643
84-A-2 039	CDC 2255644
84-A-2 040	CDC 2255645
84-A-2 041	CDC 2255646
84-A-2 042	CDC 2255647
84-A-2 043	CDC 2255648
84-A-2 044	CDC 2255649
84-A-2 045	CDC 2255650
84-A-2 046	CDC 2255651
84-A-2 047	CDC 2255652
84-A-2 048	CDC 2255653
84-A-2 049	CDC 2255654
84-A-2 050	CDC 2255655
84-A-2 051	CDC 2255656

84-A-2 052	CDC 2255657
84-A-2 053	CDC 2255658
84-A-2 054	CDC 2255659
84-A-2 055	CDC 2255660
84-A-2 056	CDC 2255661
84-A-2 057	CDC 2255662
84-A-2 058	CDC 2255663
84-A-2 059	CDC 2255664
84-A-2 060	CDC 2255665
84-A-2 061	CDC 2267113
84-A-2 062	CDC 2276187
84-A-2 063	CDC 2276188

(b) **Forty-eight (48) mining claims** located in the Townships of Launay and Trécesson, Municipalities of Launay and Trecesson, in the Province of Québec respectively registered under land file serial numbers 84-A-2 476 to 84-A-2 523 of the Register of Real Rights of State Resource Development of the Land Register of the Land Registration Division of Abitibi, as follows:

Land File Serial #	Mining Claim
84-A-2 476	CDC 2377418
84-A-2 477	CDC 2377419
84-A-2 478	CDC 2377420
84-A-2 479	CDC 2377421
84-A-2 480	CDC 2377422
84-A-2 481	CDC 2377423
84-A-2 482	CDC 2377424
84-A-2 483	CDC 2377425
84-A-2 484	CDC 2377426
84-A-2 485	CDC 2377427
84-A-2 486	CDC 2377428
84-A-2 487	CDC 2377429
84-A-2 488	CDC 2377430
84-A-2 489	CDC 2377431
84-A-2 490	CDC 2377432
84-A-2 491	CDC 2377433
84-A-2 492	CDC 2377434
84-A-2 493	CDC 2377435
84-A-2 494	CDC 2377436
84-A-2 495	CDC 2377437
84-A-2 496	CDC 2377438
84-A-2 497	CDC 2377439
84-A-2 498	CDC 2377440
84-A-2 499	CDC 2377441
Land File Serial #	**Mining Claim**
84-A-2 500	CDC 2377442
84-A-2 501	CDC 2377443
84-A-2 502	CDC 2377444
84-A-2 503	CDC 2377445

84-A-2 504	CDC 2377446
84-A-2 505	CDC 2377447
84-A-2 506	CDC 2377448
84-A-2 507	CDC 2377449
84-A-2 508	CDC 2377450
84-A-2 509	CDC 2377451
84-A-2 510	CDC 2377452
84-A-2 511	CDC 2377453
84-A-2 512	CDC 2377454
84-A-2 513	CDC 2377455
84-A-2 514	CDC 2377456
84-A-2 515	CDC 2377457
84-A-2 516	CDC 2377458
84-A-2 517	CDC 2377459
84-A-2 518	CDC 2377460
84-A-2 519	CDC 2377461
84-A-2 520	CDC 2377462
84-A-2 521	CDC 2377463
84-A-2 522	CDC 2377464
84-A-2 523	CDC 2377465

(c) Five (5) mining claims located in the Township of Trécesson, Municipalities of Trecesson and Berry, in the Province of Québec respectively registered under land file serial numbers 84-A-2 524 to 84-A-2 528 of the Register of Real Rights of State Resource Development of the Land Register of the Land Registration Division of Abitibi, as follows:

Land File Serial #	Mining Claim
84-A-2 524	CDC 2194108
84-A-2 525	CDC 2194109
84-A-2 526	CDC 2194110
84-A-2 527	CDC 2194115
84-A-2 528	CDC 2220724

Each of the immovables described at paragraphs (a), (b) and (c) of this Schedule, in reference to each of the two hundred and thirty three (233) mining claims identified at said paragraphs (a), (b) and (c) corresponds wholly to the immovable for which each such land file was opened at the Register of Real Rights of State Resource Development of the Land Register of the Land Registration Division of Abitibi (article 3034 of the *Civil Code of Quebec*).

WHEREOF ACT, done and passed at the City of Montreal on the date aforesaid, and remains of record in the office of the undersigned Notary under minute number FIVE HUNDRED AND SEVENTY-TWO (572).

And the parties, after having declared to have taken cognizance of these presents and having exempted the undersigned Notary from reading them or causing them to be read, signed these presents, all in the presence of the undersigned Notary.

ROYAL NICKEL CORPORATION

Per: ______________________
Mélanie Dupuis-Giuliani

PARTY OF THE FIRST PART

8248567 CANADA LIMITED

Per: ______________________
Jessica Collin

PARTY OF THE SECOND PART

____
Mtre Shalini Sangani, Notary

SCHEDULE "F"
UNDERLYING ROYALTIES

1. Marbaw

   (a) Mining Option Agreement dated December 19, 2006 between Marbaw International Nickel Corporation ("**Marbaw**") and Griffis International Limited ("**Griffis**")

   (b) Assignment and Novation Agreement dated January 15, 2007 between Griffis and Royal Nickel

   (c) Consent and Acknowledgment of Marbaw dated January 15, 2007

   (d) Assignment and Amending Agreement dated May 2007 between Griffis and Royal Nickel

   (e) Property Acquisition Agreement dated March 8, 2007 between Marbaw and Royal Nickel

   (f) Amending Agreement re: Property Acquisition Agreement dated May 11, 2007 between Marbaw and Royal Nickel

2. Coyle-Roby

   (a) Launay Property Agreement dated October 26, 2006 between Patrick Sheridan ("**Sheridan**") and Peter Ferderber ("**Ferderber**"), on the one hand, and Terrence Coyle ("**Coyle**") and Michel Roby ("**Roby**"), on the other

   (b) Assignment and Assumption Agreement dated May 4, 2007 between Sheridan Platinum Group, Ferderber, Sheridan and Royal Nickel

   (c) Consent and Acknowledgment dated May 4, 2007 between Coyle, Roby and Royal Nickel

3. Frigon-Robert

   (a) Mining Option Agreement dated effective as of November 1, 2010 between Jacques Frigon, Gerard Robert and Royal Nickel

4. Ressources Québec Inc.

   (a) Undivided Co-Ownership Agreement dated August 1, 2012 between Ressources Québec Inc. and Royal Nickel

5. Pershimco

   (a) Acte de cession de claims dated March 18, 2013 between Ressources Pershimco Inc. and Royal Nickel

6. 8248567 Canada Limited

   The Original Royalty Agreement and the Original Deed of Hypothec.