Execution Version

DATED NOVEMBER 14, 2016

ROYAL NICKEL CORPORATION

- AND-

YA II PN, LTD.

NOTE AGREEMENT

THIS NOTE AGREEMENT is made on November 14, 2016

BETWEEN:

(1) **ROYAL NICKEL CORPORATION**, a company incorporated under the laws of Canada whose principal office is at 357 Bay Street, Suite 800, Toronto, Ontario, M5H 2T7 (the "**Company**"); and

(3) **YA II PN, LTD.**, an exempted company incorporated in the Cayman Islands with limited liability and whose principal office is at PO Box 309, Ugland House, Grand Cayman KY1 1101 (the "**Investor**").

(together the **"Parties"**).

RECITALS

The Investor (as defined herein) has agreed to lend to the Company up to an aggregate maximum sum of US$10,000,000, subject to and upon the terms and conditions contained in this agreement.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the following meanings, unless the context otherwise requires:

"**1933 Act**"	the United States Securities Act of 1933, as amended, and the rules and regulations of the United States Securities and Exchange Commission thereunder;
"**1934 Act**"	means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the United States Securities and Exchange Commission thereunder;
"**Accounting Standards**"	International Financial Reporting Standards;
"**Accounts**"	the audited consolidated balance sheets of the Company as at December 31, 2015 and December 31, 2014, and the consolidated statements of comprehensive loss, consolidated statements of cash flows and the consolidated statements of changes in equity for the years ended December 31, 2015 and December 31, 2014 (including the notes thereto and auditor's report thereon) and, for the purposes of the repetition of the Warranties set out in Schedule 3, such annual audited financial statements for each

	subsequent financial year filed on SEDAR;
"**Applicable Laws**"	means all applicable laws, statutes, regulations, directives, by-laws, orders, codes of conduct and mandatory guidelines which have legal effect, whether local, national, international or otherwise existing from time to time, in any jurisdiction together with any similar instrument having legal effect in the relevant circumstances;
"**Availment Date**"	means the date that is the first Trading Day after an Availment Notice is delivered in accordance with this Agreement.
"**Availment Notice**"	means a written request by Company to Investor for the advancement of an Initial Tranche or a Subsequent Tranche, in accordance with this Agreement;
"**Bloomberg**"	Bloomberg LP, a financial information provider;
"**Board**"	the Board of Directors of the Company;
"**Business Day**"	a day, other than a Saturday or Sunday, on which banks are open for general business in London, United Kingdom and Toronto, Ontario;
"**CDS**"	CDS Clearing and Depository Services Inc.;
"**CDSX**"	the CDSX trading and settlement system maintained by CDS;
"**Closing Date**"	the date of this Agreement;
"**Closing Price**"	in respect of a particular Trading Day, the closing price for a Common Share on the TSX, as reported by Bloomberg;
"**Closing Statement**"	has the meaning given thereto in Clause 2.8;
"**Commitment Amount**"	US$10,000,000;
"**Commitment Period**"	the period ending on the date occurring thirty six (36) months from after the date of this Agreement;
"**Common Shares**"	common shares in the capital of the Company from time to time or, in the event of any reclassification of the Common Shares as a result of a Reorganisation, such shares in the capital of the Company;
"**Company's Group**"	the Company and any subsidiary of the Company

	from time to time;
"**Conversion**"	means the conversion of any amount of principal and/or interest under the Loan into Shares in accordance with Clause 10, and "**Convert**" shall be construed accordingly;
"**Conversion Notice**"	means a written notice in the form of Schedule 4 hereto from the Investor to the Company specifying the amount of outstanding principal under the Loan and/or interest thereon that the Investor is electing to Convert;
"Conversion Notice Date"	means the date of the issuance of a Conversion Notice
"**Default Amount**"	has the meaning given in Clause 10.2.1;
"**Default Conversion Price**"	means the higher of i) such amount per Common Share as is equal to 80% of the average of the five lowest VWAPs during the 15 Trading Day period ending on the Trading Day prior to the service of the relevant Conversion Notice on the Company (converted to C$ at the Exchange Rate) and ii) the Maximum Discounted Price;
"**Directors**"	the directors of the Company from time to time;
"**Encumbrance**"	any mortgage, charge, assignment by way of security, hypothecation, pledge, lien, encumbrance, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement that in substance secures payment or performance of an obligation;
"**Equity Linked Financing Arrangement**"	means any agreement, transaction or other arrangement, similar to this Agreement, whereby the Company either agrees to (i) issue securities in a series of tranches or potential tranches at a purchase price that is either fixed or determined in accordance with an agreed formula, where the agreement lapses upon the expiry of a fixed period or the sale of securities equal to an agreed maximum sum or (ii) accept cash in the form a loan, where the interest or principal of the loan, or both, may be repaid through the issuance of securities of the Company.
"**Event of Default**"	any of those events set out in Clause 10;
"**Exchange Rate**"	for any date shall be the US$ to C$ spot exchange rate or the C$ to US$ spot exchange rate (as applicable) as reported by Bloomberg on the date

immediately prior (in respect of the most recent historic date then available);

"Excluded Taxes" means (a) Taxes imposed on (or measured by) its net or overall gross income or franchise Taxes (i) imposed as a result of the Investor being organized or having its principal office located in the taxing jurisdiction or (ii) imposed as a result of a present or former connection between the Investor and the jurisdiction imposing such Tax (other than connections arising from the Investor having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or converted or enforced this Agreement, or sold or assigned an interest in this Agreement), (b) any branch profits Taxes imposed by Canada or any similar Tax imposed by any jurisdiction described in clause (a), and (c) any Canadian federal withholding Taxes imposed under the ITA on any payment as, on account or in lieu of payment of or in satisfaction of interest, or which is deemed to be interest under the ITA, to or for the benefit of any person (A) with which the Company does not deal at arm's length for purpose of the ITA at the time of making the payment or deemed payment, (B) in respect of a debt or other obligation to pay an amount to a person with whom the Company is not dealing at arm's length for purposes of the ITA or (C) that is the "specified shareholder" (as such term is defined in subsection 18(5) of the ITA) of the Company or does not deal at arm's length for purposes of the ITA with a "specified shareholder" (as such term is defined in subsection 18(5) of the ITA) of the Company.

"Further Warrants" the Warrants to be granted by the Company to the Investor in accordance with Clause 2.7.4, on the following terms:

a) the number of Warrants shall be such number as is equal to 27.5% of the Principal Amount of any Subsequent Tranche (converted to C$ at the Exchange Rate on the relevant Transfer Date) divided by the average VWAPs on the five Trading Days immediately prior to the relevant Transfer Date;

b) the 'Subscription Price' (as defined in the Warrant Instrument) per Common Share shall be C$0.50 or, if such subscription price is not permitted

by the TSX, the lowest subscription price permitted by the TSX that is not less than C$0.50; and

c) the 'Expiration Date' (as defined in the Warrant Instrument) will be the second (2nd) anniversary of the date when such Warrants are granted;

"Initial Tranche" has the meaning given thereto in Clause 2.2;

"Initial Warrants" Such number of Warrants to be granted by the Company to the Investor in accordance with Clause 2.6.6 as is equal to 27.5% of the Principal Amount of the Initial Tranche (converted to C$ at the Exchange Rate on the Transfer Date) divided by the average VWAPs of the five Trading Days immediately prior to the relevant Transfer Date, with a Subscription Price (as defined in the Warrant Instrument) of C$0.50 and expiring two (2) years from the Closing Date;

"Insolvency Event" in relation to a member of the Company's Group means any of the following events:

a) any corporate action or other steps are taken or legal proceedings are started for its winding up, dissolution or reorganisation (other than the routine dissolution of an inactive subsidiary) under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or for the appointment of a receiver (other than in a solvent liquidation or reorganisation), administrator (or notice is given of an intention to appoint an administrator), administrative receiver, trustee or similar officer of them for such company or any material part or all of its revenues and assets or distress is executed against such company, or an encumbrancer takes possession of, any material part of its revenues or assets and any of such events has a material adverse effect on the Company and/or the Company's Group as a whole, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of sixty (60) days;

b) the Company is unable to pay its debts as they fall due, admits in writing its inability to pay its debts as they fall due, or makes a general assignment for the benefit of, or a

composition with, its creditors which has a material adverse effect on the company; or

c) the company is liquidated or dissolved;

"**Interim Accounts**"	the interim unaudited condensed consolidated interim balance sheet as at June 30, 2016 and the condensed consolidated statements of loss and comprehensive loss, the condensed consolidated statements of cash flows and the consolidated statements of changes in equity for the six months ended June 30, 2016 (including the notes thereto) and, for the purposes of the repetition of the Warranties set out in Schedule 3, such interim unaudited financial statements for each subsequent financial year filed on SEDAR;
"ITA"	means the Income Tax Act (Canada).
"**Loan Facility**"	the unsecured loan facility granted under this Agreement pursuant to which each Loan is made available to the Company;
"**Loan**"	each unsecured loan to be made available to the Company under this Agreement in the form of an Initial Tranche and Subsequent Tranches up to an aggregate maximum amount equal to the Commitment Amount;
"Market Price"	means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, for the five Trading Days immediately preceding the Conversion Notice Date, subject to any exceptional circumstance adjustments required by the TSX under the TSX Rules.
"**Material Adverse Change**"	an event or circumstance that is material and adverse to the assets or financial condition of the Company's Group, taken as whole;
"**Material Licences**"	has the meaning set out in paragraph 9 of Schedule 3;
"**Maximum Discounted Price**"	means the Market Price less the Maximum Discount;

"Maximum Discount" means the maximum discount calculated in accordance with the following schedule:

Market Price	Maximum Discount
$0.50 or less	25%
$0.51 to $2.00	20%
Above $2.00	15%

"Maximum Share Limit" 67,550,000

"Party" either the Investor or the Company, as the context so permits, and **"Parties"** shall be construed accordingly;

"Principal Amount" in the case of the Initial Tranche, US $2,500,000 and, in the case of any Subsequent Tranche, such other sum as shall be agreed between the Parties;

"Prospectus Rules" means any provisions of the *Securities Act* (Ontario), the TSX Rules as well as all similar legislation in Canada, the United States and elsewhere which impose the obligation to file a prospectus, offering memorandum or other similar document in connection with the issuance of securities;

"Regulation S" Regulation S under the 1933 Act;

"Reorganisation" in relation to the Company, any bonus issue of shares or other issue of shares by way of capitalisation of profits or reserves, any consolidation or sub-division or reduction of capital, any capital dividend or any other reconstruction or adjustment relating to the equity share capital of the Company and any other amalgamation, arrangement, reconstruction or compromise or transaction affecting the share capital of the Company;

"Repayment Default" has the meaning given in Clause 10.2;

"Repayment Schedule" in respect of the Initial Tranche, means the repayment schedule set out in Schedule 1, and in respect of any Subsequent Tranche, means such repayment schedule as is delivered by the applicable Investor to the Company in connection with that Subsequent

	Tranche in accordance with Clause 2.8.
"**SEDAR**"	the system for electronic document analysis and retrieval developed for the Canadian securities administrators, made accessible through the website found at www.sedar.com, and any reference herein to a disclosure made on SEDAR shall include any disclosure made in any document found on SEDAR (including any Accounts posted on SEDAR);
"**Subsequent Tranche Implementation Fee**"	has the meaning given thereto in Clause 2.7.1;
"**Subsequent Tranche Agreement**"	means a written agreement setting out the terms of each Subsequent Tranche, including the acceptance by the Investor of the Subsequent Tranche, and the allocation between each accepting Investor in respect of the Subsequent Tranche;
"**Subsequent Tranche(s)**"	means any advance to be provided by the Investor to the Company subsequent to the Initial Tranche, as agreed between the parties;
"**subsidiary**"	has the meaning given to such term in the Business Corporations Act (Ontario);
"**Taxes**"	all present and future taxes, levies, duties, charges, assessments, deductions or withholdings whatsoever, including any interest thereon, and any penalties and fines with respect thereto, imposed, levied, collected or withheld pursuant to any law, regulation or other authorization having the force of law and "**Taxation**" shall be construed accordingly;
"**Trading Day**"	any day during which trading of securities takes place on the TSX;
"**Tranche**"	the Initial Tranche or any Subsequent Tranche;
"**Transfer Date**"	the Trading Day on which the Principal Amount in respect of a Tranche is transferred by the Investor to the Company;
"**TSX Approval Notice**"	TSX conditional approval of this Agreement which approves the issuance by the Company to the Investor and listing of a maximum of 27,450,000 Common Shares issuable pursuant to this Agreement;
"**TSX Rules**"	the Toronto Stock Exchange Company Manual as promulgated by the TSX from time to time;

"TSX"	Toronto Stock Exchange;
"U.S. Securities Laws"	all of the applicable federal securities laws and regulations of the United States, including without limitation the 1933 Act and the 1934 Act;
"VWAP"	for any Trading Day, the volume weighted average price of the Common Shares on the TSX, calculated by dividing the total value by the total volume of securities traded, as reported by Bloomberg under the symbol "RNX", save that should the Company satisfy the Investor, acting reasonably, that there is a material inaccuracy with such data as provided by Bloomberg then the equivalent figures as reported by the TSX;
"Warrant Instrument"	the warrant instrument in the form set out in Appendix A to this Agreement;
"Warrant"	warrants constituted by a Warrant Instrument; and
"Warranties"	the warranties and representations of the Company contained in Clause 7 and Schedule 3 and a reference to a "**Warranty**" shall be construed accordingly.

1.2 **Interpretation**

1.2.1 In this Agreement:

1.2.1.1 the clause headings are included for convenience only and do not affect the construction of this Agreement;

1.2.1.2 words denoting the singular include the plural and vice versa;

1.2.1.3 words denoting one gender include each gender and all genders; and

1.2.1.4 the words "includes", "including" and "included" will be construed without limitation.

1.2.2 In this Agreement, unless the context otherwise requires, references to:

1.2.2.1 persons includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

1.2.2.2 documents, instruments and agreements are references to such documents, instruments and agreements as modified, amended, varied, supplemented or novated from time to time;

1.2.2.3 receivers are references to receivers of whatsoever nature including, without limitation, receivers and managers and administrative receivers;

1.2.2.4 the terms the "Investor" and the "Company" or a party to this Agreement include, where the context so admits, references to successors, transferees and assigns of any such person;

1.2.2.5 recitals, clauses, schedules and appendices are references to recitals to this Agreement, clauses of this Agreement and schedules and appendices to this Agreement and references to this Agreement include its schedules and appendices;

1.2.2.6 paragraphs are references to paragraphs of the schedule in which the references appear;

1.2.2.7 statutory provisions (where the context so admits and unless otherwise expressly provided) are construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time, and to any orders, regulations, instruments or other subordinate legislation made under the relevant statute;

1.2.2.8 a time of day is a reference to Toronto time; and

1.2.2.9 a reference to C$ shall mean Canadian dollars, the official currency of Canada and a reference to US$ shall mean United States dollars, the official currency of the United States of America.

2. THE LOAN FACILITY AND FEES

2.1 Subject to the terms and conditions of this Agreement, and in reliance upon the Warranties and undertakings of the Company set forth herein, the Investor agrees to make available to the Company the Loan Facility during the Commitment Period in an aggregate amount equal to the Commitment Amount.

2.2 The Investor hereby agrees to advance , in accordance with section 2.3, the total amount of US$2,500,000 to the Company (the "**Initial Tranche**").

2.3 The Investor will only be obliged to advance the Initial Tranche of the Loan Facility to the Company upon satisfaction of the conditions listed in Clause 2.6 below. The Investor shall notify the Company promptly upon being so satisfied. Upon receipt of such notice, the Company may make an Availment Notice and upon receipt of same the Investor shall (subject to Clause 2.8) advance the Initial Tranche to the Company, on or before the applicable Availment Date, by wire transfer for same day value to the bank account of the Company set forth in Schedule 6, or such other bank or other financial institution as the Company may from time to time notify the Investor in writing for this purpose.

2.4 The Company shall have no obligation to request any Subsequent Tranches and the Investor shall have no obligation to agree to provide any Subsequent Tranches. In the event that the parties agree to a Subsequent Tranche, the Investor shall confirm its participation in the Subsequent Tranche by executing a Subsequent Tranche Agreement and the Investor will only be obliged to advance a Subsequent Tranche of the Loan Facility to the Company upon satisfaction of the conditions listed in Clause 2.7 below. The Investor shall notify the Company promptly upon

being so satisfied. Upon receipt of such notice, the Company may make an Availment Notice and upon receipt of same the Investor shall (subject to Clause 2.8) advance the Subsequent Tranche to the Company, on or before the applicable Availment Date, by wire transfer for same day value to the bank account of the Company set forth in Schedule 6, or such other bank or other financial institution as the Company may from time to time notify the Company in writing for this purpose.

2.5 For the avoidance of doubt, the aggregate amount of the Initial Tranche and any Subsequent Tranches shall not exceed the Commitment Amount.

2.6 Conditions to the drawdown of Initial Tranche are set out below:

The Investor shall not be required to advance the Initial Tranche to the Company unless the following conditions have been satisfied:

2.6.1 receipt by the Investor (or its respective designee, YA Global SPV, LLC) of the following fees:

2.6.1.1 an implementation fee in the total amount of US$125,000 to the bank account of the Investor set forth in Schedule 5, or such other bank or other financial institution as the Investor may from time to time notify the Company in writing for this purpose; and

2.6.1.2 US$15,000 in respect of all out-of-pocket legal expenses (the Parties acknowledge this amount is in addition to the US$30,000 in respect of legal due diligence already advanced by the Company to the Investor);

2.6.2 the Investor having received a Closing Statement as referred to in Clause 2.8 below;

2.6.3 the Investor having received a copy of the TSX Approval Notice;

2.6.4 there shall not have occurred a Material Adverse Change between the date of this Agreement and the Transfer Date and, for the purpose of this condition only, a Material Adverse Change shall be deemed to have occurred in the event the VWAP on November 16, 2016 is less than C$0.265 per share (the "**Floor Price**"), however, notwithstanding the foregoing, the release of the Company's interim financial statements for the period ended September 31, 2016 shall not be deemed a Material Adverse Change if the VWAP on November 16 2016 is not less than the Floor Price;

2.6.5 the delivery by the Company of such other documents in connection with the transaction contemplated hereby as are reasonably requested by the Investor;

2.6.6 the execution by the Company of a Warrant Instrument in respect of the Initial Warrants, the grant by the Company to the Investor of the Initial Warrants and the delivery by the Company to the Investor of the executed Warrant Instruments in respect of the Initial Warrants, registered as specified in Schedule 7; and

2.6.7 the Investor having received from the Company's counsel an opinion in a form acceptable to it with respect to: (i) the due execution of this Agreement by the Company, (ii) the enforceability of this Agreement against the Company, (iii)the first trades of the Conversion Shares, and (iv) the due execution of the Warrant Instrument in respect of the Initial Warrants.

2.7 Conditions to the drawdown of Subsequent Tranches are set out below:

The Investor shall not be required to advance any Subsequent Tranche to the Company unless the following conditions have been satisfied:

2.7.1 the Investor (or any nominated designee of the Investor) having received an implementation fee of a total amount equal to five (5) per cent of the Principal Amount to be drawn down under the Subsequent Tranche;

2.7.2 the Investor having received a Closing Statement as referred to in Clause 2.8 below;

2.7.3 there being no Event of Default has then occurred which is continuing;

2.7.4 the execution by the Company of a Warrant Instrument in respect of the Further Warrants, the grant by the Company to the Investor of the Further Warrants and the delivery by the Company to the Investor of the executed Warrant Instrument in respect of the Further Warrants;

2.7.5 receipt of an agreement (the "**Subsequent Tranche Agreement**") with respect to the terms (including interest rate) of the Subsequent Tranche, duly executed by the Company; and

2.7.6 the Investor having received from the Company's counsel an opinion in a form acceptable to it with respect to: (i) the due execution of the Subsequent Tranche Agreement by the Company, (ii) the enforceability of the Subsequent Tranche Agreement against the Company, (iii) the first trades of the applicable Conversion Shares, and (iv) the due execution of the Further Warrant Instrument in respect of the Further Warrants.

2.8 Prior to advancing the Initial Tranche or any Subsequent Tranche, the Company and the Investor shall agree and execute respective closing statements, prepared by the Investor, (the "**Closing Statement(s)**"), showing the requested Principal Amount, any deductions made by the Investor (pursuant to clauses 2.6 or 2.7), the net amount being advanced by the Investor to the Company under the terms of this Agreement and the applicable Repayment Schedule. The Investor shall not be obliged to make the Initial Tranche nor any Subsequent Tranche available to the Company, unless such respective Closing Statement has been executed by the Company and delivered to the Investor. All deliveries and payments made by or on behalf of the Company pursuant to sections 2.6.1.1, 2.6.6 and 2.6.7 prior to an advance of the Initial Tranche, or sections 2.7.1, 2.7.4 and 2.7.6 prior to an advance to be made in respect of a Subsequent Tranche, shall be held in escrow until the applicable Availment Date and released from escrow simultaneously upon the making of the advance of the Initial Tranche or Subsequent Tranche, as applicable, provided, however, if the required advance is not made on the applicable Availment Date, such deliveries and payment amounts shall be immediately returned to Company out of escrow, unless the Parties otherwise agree in writing.

3. PURPOSE

The Company shall apply the Principal Amount for general working capital purposes.

4. INTEREST

4.1 The Company shall pay interest on the then outstanding Principal Amount at the rate of 12% per annum (the "**Interest Rate**"), such interest to accrue from the date of the advance of the Initial Tranche or a Subsequent Tranche, as applicable, up to the date of repayment in full of the Loan Facility.

4.2 Interest on the Principal Amount outstanding shall be calculated on a daily basis and based on a year of 365 days.

4.3 The Company shall pay accrued and unpaid interest in accordance with the applicable Repayment Schedule.

4.4 If the Company fails to pay any sum on the due date for payment under this Agreement, or fails to allot and issue any Common Shares to the Investor that are due to be allotted and issued to the Investor pursuant to this Agreement due to an Event of Default, the Interest Rate will be revised to the rate of 1% per week (the "**Default Rate**") and interest will accrue on a daily basis (payable on demand) on the overdue Principal Amount and the interest due thereon from the date of default until actual payment (both before and after judgement) at the Default Rate.

4.5 If any provision of this Agreement would oblige the Company to make any payment of interest or other amount payable to the Investor in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Investor of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by the Investor of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: (a) first, by reducing the amount or rate of interest required to be paid to the Investor under this Clause 4.5; and (b) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the affected Investor which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

4.6 For the purposes of the *Interest Act* (Canada), any rate of interest made payable under the terms of this Agreement at a rate or percentage (the "**Contract Rate**") for any period that is less than a consecutive twelve (12) month period, such as a 360 or 365 day basis, (the "**Contract Rate Basis**") is equivalent to the yearly rate or percentage of interest determined by multiplying the Contract Rate by a fraction, the numerator of which is the number of days in the consecutive twelve (12) month period commencing on the date such equivalent rate or percentage is being determined and the denominator of which is the number of days in the Contract Rate Basis.

5. REPAYMENT

5.1 The Initial Tranche and any Subsequent Tranche, including interest thereon, shall be repayable by the Company in accordance with the applicable Repayment Schedule.

5.2 On the dates on which the Company is due to repay any portion of the Loan and interest thereon, the Company shall make the same available to the Investor by payment in US$ in immediately available, freely transferable, cleared funds to the bank account of the Investor set forth in Schedule 5, or such other bank or other financial institution as the Investor may from time to time notify the Company in writing for this purpose.

5.3 The Company shall be entitled to prepay the Loan in whole at a price equal to 110% of the Principal Amount being repaid and the interest outstanding thereon by payment to the Investor in the manner and to the account set out in Section 5.2.

5.4 No amount of the Principal Amount repaid or prepaid may be redrawn.

6. TAXES

6.1 All payments due to be made by the Company to the Investor under this Agreement, whether of principal, interest or otherwise, shall be made without deduction or withholding for, or on account of, any Taxes other than Excluded Taxes, except to the extent the Company is required by law to deduct or withhold any Taxes on any amounts payable hereunder. If at any time the Company is required to make any deduction or withholding in respect of Taxes other than Excluded Taxes from any payment due hereunder, then the Company shall pay any such additional amount to the Investor as is necessary to ensure that, after the making of such deduction or withholding, the Investor receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made. The Company shall use its reasonable endeavours to obtain from the applicable authority as soon as possible after making such payment (to the extent they are issued by such authority) an official receipt or other appropriate evidence issued by such authority evidencing that the payment has been duly remitted to the appropriate authority and shall furnish the Investor within ten (10) days of receipt of the same such official receipt or evidence.

6.2 Without prejudice to the provisions of Clause 6.1, if the Investor is required to make any payment on account of Tax (and such Tax is directly incurred as a result of the Investor having entered into, performed its obligations under and received the benefits of this Agreement, and not being a Tax imposed on all or part of the Investor's net income or as the result of any of the Investor's business operations anywhere in the world) on any sum received or receivable under this Agreement by the Investor from the Company (including, without limitation, any sum received or receivable under this Clause 6.2) the Company shall, upon demand of the Investor, indemnify the Investor against that payment or liability, together with any interest, penalties and reasonable expenses payable or incurred in connection therewith.

7. REPRESENTATIONS AND WARRANTIES

7.1 The Company represents and warrants to the Investor in the terms of the Warranties on the date hereof, and the Company shall be deemed to represent that the Warranties (other than the Warranties in paragraph 1.1 of Schedule 3) are true and correct in all material respects upon any Transfer Date. The Company acknowledges and accepts that the Investor is entering into this Agreement on the basis of and in reliance upon, *inter alia* the Warranties.

7.2 Where any Warranty is expressed to be qualified by reference to the awareness and/or knowledge and/or information and/or belief of the Company it will be deemed to mean to the actual knowledge of Mr. Mark Selby, CEO and Mr. Timothy Hollaar, CFO and that it has been made after all due and careful inquiry.

7.3 Subject always to Clause 15, the Company hereby undertakes immediately to notify the Investor in writing if it comes to its knowledge that any of the Warranties was, when given, untrue, inaccurate or misleading in any material respect or ceases to be true and accurate or becomes misleading (or would be untrue, inaccurate or misleading if then repeated) in any material respect at the time of any Transfer Date.

7.4 The Investor warrants and represents to the Company as follows and the Investor is deemed to repeat such warranties and representations upon each Transfer Date and acknowledges and accepts that the Company is entering into this Agreement on the basis of and in reliance upon (inter alia) such warranties and representations:

7.4.1 the Investor is an Exempted Company incorporated and resident in the Cayman Islands with Limited Liability that is validly existing and in good standing under the laws of the Cayman Islands;

7.4.2 the Investor is knowledgeable of, or has been independently advised as to, the applicable securities laws of the Cayman Islands;

7.4.3 the Investor is entering into this transaction pursuant to exemptions from the prospectus, registration or similar requirements under the applicable securities laws of the Cayman Islands or, if such is not applicable, the Investor is permitted to enter into this transaction under the applicable securities laws of Cayman Islands without the need to rely on an exemption; and

7.4.4 the delivery of this Agreement, the acceptance of it by the Company and the issuance of Shares, Notes and Warrants to the Investor will not result in a violation of or create a state of facts which would require the Company to (A) file a prospectus, registration statement or similar document in the Cayman Islands, (B) register the Shares, Notes or Warrants, or make any filings or seek any approvals of any kind whatsoever from any regulatory authority in the Cayman Islands, (C) be registered with any regulatory authority in the Cayman Islands, or (D) require the Company to comply with any continuous disclosure obligation or reporting requirements under applicable securities laws of the Cayman Islands;

7.4.5 the acquisition of the Shares under this Agreement by the Investor will not result in the Investor becoming a "control person" in respect of the Company, as defined under applicable securities laws;

7.4.6 neither the Investor nor its mind and management is resident or subject to the securities laws of any jurisdiction of Canada, all discussions and negotiations of the Investor connected to the execution and delivery of this agreement were conducted outside of any jurisdiction of Canada and that both the investment decision with respect to the matters contemplated herein (including any conversion of the Principal Amount into Common Shares and the execution and delivery of this Agreement) occurred outside Canada;

7.4.7 the Investor understands, recognizes and acknowledges that the Common Shares to be acquired hereunder, if any, have not and will not be registered under U.S. Securities Laws and that the sale contemplated hereby is being made in reliance on a private placement exemption from registration under U.S. Securities Laws;

7.4.8 the Investor acknowledges and understands that the Common Shares purchased hereunder may be transferred only: (A) to the Company, (B) outside the United States in accordance with Regulation S, U.S. Securities Laws, exchange policy, the terms of this Agreement and all other Applicable Laws, (C) within the United States in accordance with the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws, or (D) in a transaction that does not require registration under the

1933 Act or any applicable United States state laws and regulations governing the offer and sale of securities and the Investor has furnished to the Company an opinion of counsel of recognized standing reasonably satisfactory to the Company;

7.4.9 no voting trust or similar agreement will be entered into by the Investor that has or shall have the effect of directing the manner in which the votes attaching to the Common Shares issued hereunder shall be voted; and

7.4.10 the Investor does not conduct any operations in Canada and no services provided by the Investor hereunder has or shall be performed or provided in Canada.

8. COMPLIANCE

8.1 The Company covenants with the Investor that it will at all times in all material respects uphold, comply and act in accordance with the TSX Rules and all Applicable Laws.

9. COVENANTS

9.1 The Company irrevocably covenants with the Investor that, from the date of this Agreement and for so long as any amount is outstanding under this Agreement, it shall:

9.1.1 obtain, maintain in full force and effect and comply in all material respects with the terms of all material authorisations, approvals, licences, exemptions, and consents required to enable it lawfully to enter into and perform its obligations under this Agreement or to ensure the legality, validity and enforceability against the Company or the admissibility in evidence of this Agreement in a court of competent jurisdiction in Canada;

9.1.2 promptly inform the Investor of the occurrence of any Event of Default and, upon receipt of a written request to that effect from the Investor, confirm to the Investor that, save as previously notified to the Investor or as notified in that confirmation, no such Event of Default has occurred;

9.1.3 use all reasonable efforts to maintain the listing and trading of the Common Shares on the TSX;

9.1.4 comply with, and file in a timely manner all reports and other documents required of it under the TSX Rules, and will not take any action or file any document to terminate or suspend the listing or trading of its Common Shares on the TSX;

9.1.5 take all steps reasonably necessary to preserve and continue the material licences, permits and other authorities required by the Company's Group to carry on its business;

9.1.6 immediately notify the Investor upon its becoming aware of the issuance by the TSX of any notice relating to a potential or actual suspension or de-listing of the Common Shares from trading on the TSX;

9.1.7 upon issuance to the Investor of such number of Common Shares as is equal to the Maximum Share Limit, apply for and take all steps reasonably necessary (including seeking the approval of the Company's shareholders at a duly called meeting of shareholders) to obtain listing approval from the TSX for any Common Shares that

would be issuable to the Investor pursuant to this Agreement but for the restriction contained in Clause 10.5.2;

9.1.8 not enter into any transaction or arrangement the effect of which would be to limit or inhibit the Company's ability to perform any of its obligations under this Agreement; and

9.1.9 not enter into any other Equity Linked Financing Arrangement.

10. EVENTS OF DEFAULT

10.1 Each of the following events is an Event of Default:

10.1.1 the Company fails to repay when due any portion of the Loan or interest on the Loan;

10.1.2 the Company fails duly to perform or comply in any material respect with any material covenant contained in this Agreement (which if capable of remedy has not been remedied within five (5) Trading Days of notice of such failure by Investor to the Company);

10.1.3 the Common Shares are delisted from or cease to trade on the TSX (excluding temporary halts);

10.1.4 the Company is in breach of any of the representations or warranties set out in this Agreement in any material respect and, where such breach is capable of remedy, such breach has not been remedied within five (5) Trading Days of the earlier of the notice of that breach by the Investor to the Company and the date on which the Company becomes aware of such breach;

10.1.5 the occurrence of an Insolvency Event in respect of any member of the Company's Group;

10.1.6 the Company repudiates this Agreement or makes any public statement evidencing an intention to repudiate this Agreement;

10.1.7 at any time it is or becomes unlawful for the Company to perform or comply with any or all of its material obligations under this Agreement or any of the material obligations of the Company under this Agreement are not, or cease to be, legal, valid and binding; or

10.1.8 any materially adverse action, arbitration or administrative proceeding of or before any court, tribunal or agency commences in relation to any member of the Company's Group in respect of which action, arbitration or administrative proceeding the Company has been advised by counsel it has no reasonable prospect of success and which would result in a Material Adverse Change.

10.2 On and at any time after the occurrence of an Event of Default under Clause 10.1.1 (a "**Repayment Default**") which is continuing, the Investor in its absolute discretion may (without prejudice to any other right which the Investor may have):

10.2.1 by one or more Conversion Notices to the Company elect to Convert the amounts relating to the repayment(s) of the Loan then outstanding (together the "**Default**

Amount"), or a portion of the Default Amount, as is specified in each such Conversion Notice, and Clause 11.1 shall apply;

10.2.2 if on the date which is 30 calendar days from the date when the relevant Repayment Default occurred such Repayment Default is continuing and the Investor has not received the Default Amount in full, then the Investor may by written notice to the Company declare all outstanding amounts under the Loan and any interest thereon to be immediately due and payable, together with any other sums then owed by the Company to the Investor and, upon that declaration, such sums shall become immediately due and payable without further demand or notice of any kind, all of which are hereby expressly waived by the Company, and Clause 10.4 shall apply.

10.3 On and at any time after the occurrence of an Event of Default, other than a Repayment Default, which is continuing (and irrespective of whether a Repayment Default has occurred and is continuing at the time that such Event of Default occurs) the Investor in its absolute discretion may by written notice to the Company declare all outstanding amounts under the Loan and any interest thereon to be immediately due and payable, together with any other sums then owed by the Company to the Investor and, upon that declaration, such sums shall become immediately due and payable without further demand or notice of any kind, all of which are hereby expressly waived by the Company, and Clause 10.4 shall apply.

10.4 If the Investor declares all outstanding amounts under the Loan and any interest thereon to be immediately due and payable pursuant to this Clause 10, the Investor may (without prejudice to any other right which the Investor may have) by one or more Conversion Notices to the Company elect to Convert such amount of the remaining principal and interest under the Loan as is specified in each such Conversion Notice, and Clause 11.1 shall apply.

10.5 Notwithstanding anything to the contrary contained herein,

10.5.1 The maximum aggregate number of Common Shares that may be issued at any time pursuant to the delivery of any Conversion Notice shall not exceed such number of shares as would result in the Investor: i) holding more than 9.99% of the issued and outstanding Common Shares (on a diluted basis), or ii), together with all of the Investor's "joint actors" (within the meaning of Canadian Securities Administrator's National Instrument 62-103), holding more than 19.9% of the issued and outstanding shares (on a non-diluted basis). Each delivery of a Conversion Notice by the Investor will constitute a representation by the Investor that it has evaluated the limitation set forth in this paragraph and determined that issuance of the full number of Conversion Shares requested in such Conversion Notice is permitted under this paragraph.

10.5.2 The maximum aggregate number of Common Shares that may be issued under rights granted pursuant to this Agreement, including on exercise of any Conversion Notices or Warrants shall not exceed the Maximum Share Limit.

The number of Common Shares issuable on the exercise of a particular Conversion Notice shall be limited to the extent necessary to ensure compliance with the foregoing restrictions.

10.6 Investor agree to the imprinting on any certificate evidencing Common Shares issuable hereunder or on exercise of the Warrants, of the restrictive legends in substantially the form as follows;

A. "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO ROYAL NICKEL CORPORATION (THE "COMPANY"), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAW, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED TO COMPUTERSHARE INVESTOR SERVICES INC. TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGE IN CANADA."

B. "UNLESS PERMITTED UNDER CANADIAN SECURITIES LAWS, THE HOLDER OF THESE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE THE DATE THAT IS FOUR (4) MONTHS AND A DAY AFTER **[Insert Availment Date associated with the applicable Tranche]** "

C. "The securities represented by this certificate are listed on the Toronto Stock Exchange (the "TSX"); however, the said securities cannot be traded through the facilities of TSX since they are not freely transferable, until the date that is four (4) months and a day after **[Insert Availment Date associated with the applicable Tranche]**, and consequently any certificate representing such securities is not "good delivery" in settlement of transactions on TSX."

Upon the expiry of the applicable hold periods described above, the Investor shall be entitled to surrender the certificates representing the Common Shares and receive, in their place. certificates that are not imprinted with such restrictive legends.

10.7 Upon the occurrence of an Event of Default, the Investor shall use reasonable efforts to consult with the Company with regard to the appropriate method of repayment of the outstanding amount of the Loan and interest thereon, but the Investor's decision and actions in respect of such Event of Default, the action that it wishes to take in respect of the repayment of the outstanding amount of the Loan and interest thereon and the timing of such decisions and actions shall be at the Investor's sole discretion.

11. CONVERSION

11.1 Upon receipt of any Conversion Notice the Company shall discharge its obligation to pay the amount specified in the Conversion Notice, and shall accordingly be released from its liability to pay such amount to the Investor, by allotting and issuing to the Investor such number of Common Shares (the "**Conversion Shares**") as is equal to such amount divided by the Default Conversion Price, such Conversion Shares to be credited as fully paid and ranking pari passu with all other Common Shares in issue at the date of the Conversion Notice. As soon as practicable (and in any

event within two Trading Days of the receipt of the Conversion Notice) the Company shall issue a treasury direction to its registrar and transfer agent to issue the share certificate respecting the Conversion Shares according to the instructions in the Conversion Notice, and such Conversion Shares shall be allotted and issued to the Investor (or as it may direct) by the Company and the Company shall procure that the Conversion Shares are listed for trading on the TSX.

11.2 If any Reorganisation takes place after the date of this Agreement such amendments to the Default Conversion Price shall be made as the auditors of the Company shall certify to be fair and reasonable. The Company shall procure that its auditors are instructed to determine any such changes immediately upon any such Reorganisation taking effect and to report such changes to the Investor and the Company in writing, in default of which the Investor may instruct such expert as it sees fit to make such determination. The Company's auditors (or such expert as is appointed by the Investor) shall be deemed to be acting as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on the parties. The fees of the Company's auditors (and such expert as is appointed by the Investor) shall be borne by the Company.

12. INDEMNITIES

12.1 The Company shall indemnify the Investor against any direct loss or reasonable expense which the Investor shall sustain or incur as a consequence of:

12.1.1 any default in repayment of the Principal Amount or any part thereof or payment of interest accrued thereon or any other amount payable under this Agreement on the due date;

12.1.2 the occurrence of any Event of Default; and

12.1.3 any repayment or prepayment of the Principal Amount or part thereof being made after the relevant due date for repayment or for prepayment, as the case may be;

including, in any such case, but not limited to, any loss or expense sustained or incurred in maintaining or funding the Principal Amount or any part thereof or in liquidating or re-employing deposits from third parties acquired to effect or maintain the Principal Amount or part thereof, including in respect of any legal fees incurred in connection with enforcement of its rights hereunder. This clause shall not apply to any loss suffered by the Investor in not being able to reinvest amounts due to it hereunder.

13. ILLEGALITY AND INCREASED COSTS

13.1 Illegality

If it is or becomes contrary to any Applicable Law for the Investor to make available the Principal Amount or to maintain their obligations to do so, the Investor shall promptly notify the Company whereupon (a) the Investor's obligation to make the Principal Amount available shall be terminated and (b) the Company shall be obliged to prepay the Principal Amount either (i) forthwith or (ii) on a future specified date on or before the latest date permitted by the relevant law or regulation. For greater certainty, no additional amount shall be payable as otherwise provided in Section 5.3.

13.2 Increased costs

If the result of any change in, or to the interpretation or application of, or the introduction of, any law or regulation is to subject the Investor to Taxes or change the basis of Taxation of either Investor with respect to any payment under this Agreement (other than Taxes on the overall net income), then:

13.2.1 the Investor shall notify the Company in writing of such event promptly upon its becoming aware of the same;

13.2.2 the Company shall on demand, made at any time whether or not the Principal Amount has been repaid, pay to the Investor the amount which the Investor reasonably specifies (in a certificate setting forth the basis of the computation of such amount) is required to compensate the Investor for such increased cost; and

13.2.3 if circumstances permit, the Investor shall, in consultation with the Company, take such reasonable steps as may be open to it without materially worsening its own situation to mitigate or remove any increased costs for the benefit of the Company.

14. ANNOUNCEMENTS

14.1 Each of the Parties hereby undertakes to the other that they will not make any public announcement or statement or communication regarding this Agreement without the prior written consent of the other Party save where:

14.1.1 required by the TSX Rules or any Applicable Laws (including National Instrument 51-102 of the Canadian Securities Administrators) or the applicable rules of any other regulatory body in which event the relevant party will consult with the other party to the extent practicable prior to the making of such announcement, statement or communication but will not be required to obtain the prior consent of the other party; or

14.1.2 such disclosure is made to the relevant party's employees or advisers who have a need to know such information, provided that each party is made aware of the confidential nature of such information and has agreed to keep such information confidential.

14.2 Without limitation to the foregoing, the Investor acknowledges that the Company may disseminate and file a press release and material change report in connection with the execution and delivery of this Agreement and/or the Initial Tranche.

15. UNPUBLISHED PRICE SENSITIVE INFORMATION

The Company shall not, under any circumstances, disclose unpublished price-sensitive information to the Investor, or to any advisors or representatives of the Investor, unless prior to disclosure of such information the Company identifies such information as being unpublished price-sensitive information and provides the Investor, such advisors and representatives with the opportunity to accept or refuse to accept such information for review. The Company may, as a condition to disclosing any unpublished price-sensitive information hereunder, require the Investor's advisors and representatives to enter into a confidentiality agreement in a form reasonably satisfactory to the Company and the Investor.

16. SET OFF

The Company agrees that Investor may at any time after the occurrence of an Event of Default without notice or further demand, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all monies then held by the Investor for the Company and set-off any such sum against monies outstanding under this Agreement.

17. COSTS AND EXPENSES

Subject to Clause 2.6.1.2, the Company shall pay all its costs and expenses in relation to the negotiation, preparation and execution and carrying into effect of this Agreement.

18. BENEFIT OF THIS AGREEMENT

This Agreement shall be binding upon and enure to the benefit of each party to this Agreement and its lawful successors and assigns.

19. ASSIGNMENTS AND TRANSFERS

The Company may not assign or transfer its rights, benefits and obligations under this Agreement without prior written approval of the Investor, which may be withheld in Investors discretion.

20. REMEDIES AND WAIVERS

20.1 No failure, delay or other relaxation or indulgence on the part of the Investor to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

20.2 All rights of the Investor contained in this Agreement are in addition to all rights vested or to be vested in it pursuant to common law or statute.

21. SEVERABILITY

Each of the provisions of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

22. DAMAGES

Notwithstanding anything to the contrary contained herein, no party shall be liable to any other party, for any consequential, incidental, indirect, special or punitive damages of such other person, including loss of future revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach hereof, whether or not the possibility of such damages has been disclosed to the other party in advance or could have been reasonably foreseen by such other party.

23. NOTICES

23.1 All notices, demands or other communications under or in connection with this Agreement may be given by couriered letter, facsimile or other comparable means of communication (including

email) addressed to the addressees set out at the head of this Agreement with copy by email and, in respect of the Investor, by copy to Fasken Martineau LLP, 125 Old Broad Street, London, UK, EC2N 1AR. Any such communication will be deemed to be given as follows:

23.1.1 if personally delivered or delivered by courier, at the time of delivery; and

23.1.2 if by facsimile transmission or comparable means of communication (including email) during the business hours of the addressee then on the day of transmission, otherwise on the next following Trading Day.

23.2 In proving such service it shall be sufficient to prove that personal delivery was made or in the case of facsimile transmission or other comparable means of communication, that a confirming hard copy was provided promptly after transmission or a response was received from the recipient.

23.3 Email notice may be given to the Company at mselby@rncminerals.com with a copy to jleddy@rncminerals.com and to the Investor at legal@yorkvilleadvisors.com with a copy to mbeckman@yorkvilleadvisors.com or, in each case, to such other address as may be notified to the other from time to time.

24. LAW AND JURISDICTION

This Agreement is governed by and shall be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein and the parties submit to the non-exclusive jurisdiction of the Ontario courts to settle any disputes which may arise out of or in connection with this Agreement.

25. COUNTERPARTS AND DELIVERY

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed on the date written at the beginning of this Agreement.

Signed for and on behalf of
ROYAL NICKEL CORPORATION by its duly authorised representative

Name: Mark Selby
Title: President and Chief Executive Officer

Signed for an on behalf of
YA II PN, LTD. by its duly authorized representative

Name:
Title:

SCHEDULE 1
INITIAL TRANCHE REPAYMENT SCHEDULE

Funding Date		16-Nov-16
Principal Amount	$	2,500,000
Interest		12%

Repayment Date	Principal Repayment	Interest Payment	Outstanding Balance
15-Dec-16	$ -	$ -	$ 2,500,000
15-Jan-17	$ -	$ -	$ 2,500,000
15-Feb-17	$ -	$ -	$ 2,500,000
15-Mar-17	$ 234,375	$ 97,808	$ 2,265,625
15-Apr-17	$ 234,375	$ 23,091	$ 2,031,250
15-May-17	$ 234,375	$ 20,034	$ 1,796,875
15-Jun-17	$ 234,375	$ 18,313	$ 1,562,500
15-Jul-17	$ 234,375	$ 15,411	$ 1,328,125
15-Aug-17	$ 234,375	$ 13,536	$ 1,093,750
15-Sep-17	$ 234,375	$ 11,147	$ 859,375
15-Oct-17	$ 234,375	$ 8,476	$ 625,000
15-Nov-17	$ 625,000	$ 6,370	$ -
Total	$ 2,500,000	$ 214,187	

SCHEDULE 2

CAPITALIZATION

1	Authorised share capital:	unlimited
2	Issued share capital (Common Shares) outstanding:	274,704,900 (as at November 13, 2016)

SCHEDULE 3

WARRANTIES

1. CAPACITY AND COMPLIANCE WITH LAW AND REGULATION AND ISSUE OF COMMON SHARES

1.1 The details set out in Schedule 2 relating to the Company's share capital are true and accurate.

1.2 The trading of the Common Shares on the TSX has not ceased or been suspended, the Company has not received any notice threatening the continued trading of the Common Shares on the TSX and the Company is not aware of any event which might reasonably be expected to cause such cessation or suspension.

1.3 This Agreement constitutes a legally binding and enforceable obligation of the Company subject to standard exceptions. The Company has all necessary corporate power under its articles and by-laws to enter into this Agreement and there are no consents, authorisations, approvals or licences required by the Company (including, without limitation, any sanction or consent of the shareholders of the Company or any class of them) for the Company to enter into and comply with its obligations under this Agreement.

1.4 The execution and delivery of this Agreement and the performance of its terms by the Company do not conflict with the Company's articles and by-laws, any Applicable Laws or any material agreements, obligations or commitments binding upon it.

1.5 Any Common Shares to be issued under this Agreement will be allotted and issued as fully paid and free from all Encumbrances whatsoever (other than those created or arising from the actions of the Investor) and will rank pari passu in all respects with the existing issued Common Shares including the right to receive dividends or other distributions declared, made or paid after the date of issuance (unless the market price of such Common Shares at the date of issuance is quoted "ex dividend").

1.6 Each member of the Company's Group has complied in all material respects with all Applicable Laws and has obtained and is in compliance in all material respects with the terms and conditions of all material licences, permits, leases, concessions, permissions, authorisations and consents necessary for the carrying on of its business, all of which are in full force and effect, and the Company is not aware of any material breach of them and there are no circumstances which may prejudice the continuation of them or which indicate that any of them may be revoked or terminated or not renewed, in whole or in part, other than in the ordinary course of events or in accordance with their respective terms.

1.7 The Company has made all announcements required to be made by it to the market under the TSX Rules and applicable Canadian securities laws and all statements of fact in such announcements made by the Company (including, without limitation, all resource, reserve and/or drilling updates and all announcements of resources, reserves and/or drilling results) were when made true, accurate and not misleading in all material respects. Each expression of opinion or intention or expectation in each such announcement was made on reasonable grounds after reasonable enquiry and was truly and honestly held by the Company at the time it was made and was fairly based. There was no other fact known that was omitted from disclosure in any such

announcement which, by such omission, made any such statement or expression in any such announcement misleading (by itself or in its context) in any material respect.

1.8 No event has occurred and is subsisting or, to the knowledge of the Company, is about to occur which constitutes or would constitute a material default by any member of the Company's Group, or result in the acceleration by reason of default of any material obligation of any member of the Company's Group, under any material agreement to which any member of the Company's Group is a party or by which any of them or any of their respective assets are bound which would in any such case have a material adverse effect on the business, assets, or condition of any member of the Company's Group on a consolidated basis.

1.9 Save as disclosed by the Company in the Accounts or via a regulatory information service, there are in force no options or other agreements which require or may require, or confer any right to require, the issue of any shares or other securities of any member of the Company's Group now or at any time after the date of this Agreement. None of the owners or holders of any of the share capital of the Company has any rights, in his capacity as such, in relation to the Company's Group other than as set out in the articles of incorporation of the Company.

2. THE ACCOUNTS

2.1 The Accounts have been prepared in accordance with the Accounting Standards and all Applicable Laws, and, in all material respects, give a true and fair view of the assets and liabilities and state of affairs of the Company's Group as at the end of each of the financial periods to which they relate and of the cash flow and profit and loss for each such period and either make proper provision for or, where appropriate, include a note in accordance with good accounting practice in respect of all material liabilities and capital commitments of the Company's Group, whether actual, deferred, contingent or disputed.

2.2 Since the date of the last set of Accounts the Company's Group has carried on its business in the ordinary and usual course (other than in respect of the non-ordinary course acquisition of Salt Lake Mining Pty. Ltd. and VMS Ventures Inc.) and there has been no Material Adverse Change.

2.3 The last Interim Accounts were prepared using the same accounting policies and on a basis consistent with those used in the preparation of the Accounts and (having regard to the fact that they are not audited and only to the extent changes are required pursuant to a change in accounting laws or policies) give a reasonable and not misleading view of the assets and liabilities of the Company's Group as at the date of such Interim Accounts and the profits and losses and cash flow of the Company's Group for the six month period ending on such date.

3. CONTRACTS

3.1 No member of the Company's Group is a party to any contract or obligation that is not on an arm's-length basis and which is of material importance to the business of the Company's Group.

3.2 To the Company's knowledge, there are no grounds for the invalidity or rescission, avoidance or repudiation of any material agreement or material transaction to which any member of the Company's Group is a party and, to the knowledge of the Company, no member of the Company's Group has received any notice of any intention to terminate any such agreement or repudiate or disclaim any such transaction, and which in each case is of material importance to the business of the Company's Group.

4. LITIGATION

No member of the Company's Group is engaged in any material litigation, arbitration, prosecution or other legal proceedings or subject to official investigation or enquiry, and, to the knowledge the Company no material litigation, arbitration, prosecution or other proceedings, investigation or enquiry is pending or threatened against any member of the Company's Group, which in any of the foregoing cases, either individually or collectively would reasonably be expected to have a Material Adverse Change.

5. INSOLVENCY, WINDING-UP, ETC

No Insolvency Event has occurred and is continuing.

6. INDEBTEDNESS

No material outstanding indebtedness of any member of the Company's Group has become repayable before its stated maturity, nor has any security in respect of such indebtedness become enforceable by reason of default by any member of the Company's Group and, no person to whom any material indebtedness of any member of the Company's Group which is repayable on demand is owed has demanded or threatened to demand repayment of, or to take any steps to enforce any security for, the same.

7. INTELLECTUAL PROPERTY

To the Company's knowledge, the Company's Group as a whole is not materially dependent on any patent rights, know-how, trademarks, service marks, trade names, designs, design rights, copyrights or other similar rights which it does not own or have the right to use.

8. ASSETS

Each member of the Company's Group has good and marketable title to all of its fixed assets (including real estate properties) which are material to its business.

9. MATERIAL LICENCES AND ENVIRONMENTAL MATTERS

9.1 The Company's Group has all material leases, tenancies, licences, concessions, permits, authorisations, consents or similar agreements or permissions required by the Company's Group to carry on its business (the "**Material Licences**").

9.2 Except where it would not result in a Material Adverse Change, without prejudice to the generality of paragraph 9.1 above:

9.2.1 the Material Licences are valid and subsisting, the title to each Material Licence and all interest therein is vested in a member of the Company's Group and all prior transfers or assignments of the Material Licences were duly registered with, and approved by, the appropriate authorities;

9.2.2 all of the relevant original documents of title in relation to the Material Licences are, to the extent necessary, in the possession or under the control of or accessible by the relevant member of the Company's Group and are validly executed by such member of the Company's Group, are enforceable in accordance with their terms and are duly registered with the appropriate authorities;

9.2.3 the relevant member of the Company's Group has full and exclusive rights pursuant to the Material Licences to carry out all the exploration, development or, where relevant, production operations currently carried on by or on behalf of the Company's Group in the area the subject of the Material Licences;

9.2.4 the Company's Group has, or has the benefit of, all necessary rights, easements, interests, covenants (restrictive or positive), conditions, restrictions, exceptions, reservation conditions and other encumbrances necessary in order to enable it to exercise its rights arising from the Material Licences in the manner in which they are currently, or are proposed to be, exercised;

9.2.5 the Company's Group has observed all covenants, restrictions, notices or other obligations in respect of the Material Licences except where a failure to observe would not cause a Material Adverse Change; and

9.2.6 all operations carried out by the Company's Group on the area the subject of the Material Licences have been in accordance with the terms of the Material Licences in all material respects and all applicable legislation and regulations and any orders, consents or permissions made or given thereunder.

9.3 Each member of the Company's Group is and always has been in compliance in all material respects with all applicable Environmental Laws and has obtained and complied in all material respects with the terms and conditions of, all necessary permits and licences and other authorisations required in relation to the operations of its business, and, to the knowledge of the Company, there are in relation to each member of the Company's Group no past or present events, conditions, circumstances, activities, practices or incidents which materially interfere with or prevent compliance with or which give rise to any material liability under Environmental Laws or otherwise form the basis of any claim, action, suit, proceedings, hearing or investigations relating to the environment or any breach of Environmental Laws, which, in any of the above cases, would result in a Material Adverse Change, nor, to the knowledge of the Company, has any member of the Company's Group been notified of any such liability or breach.

9.4 For the purposes of this paragraph 9.3, "**Environmental Laws**" shall mean all laws, regulations, directives, statutes, subordinate legislation, common law and other national and local laws, all judgments, orders, instructions or awards of any court or competent authority and all codes of practice and guidance notes to the extent enforceable and legally binding on the Company which have as a purpose or effect the protection of the Environment but excluding for the avoidance of doubt any of the above which regulate land use under the town and planning regime.

9.5 For the purposes of this paragraph 9.3 "**Environment**" shall mean any and all living organisms (including man) and the ecosystems of which they form part and the media of air, water and land.

SCHEDULE 4

FORM OF CONVERSION NOTICE

(To be executed by the registered Holder in order to convert Note)

TO: Royal Nickel Corporation (the "Company")

The undersigned holder hereby elects to convert the specified principal amount of Notes (the "**Notes**") and interest issued pursuant to a Note Agreement dated November 14, 2016 between the Company and YA II PN, LTD. into common shares (the "**Common Shares**"), of the Company, according to the conditions hereof, as of the date written below.

Principal amount of Notes owned prior to conversion: _____

Principal amount of Notes to be converted: _____

Interest Amount to be converted: _____

Number of Common Shares to be Issued on Conversion: _____

Applicable Default Conversion Price: _____ [Attach schedule showing computation of Default Conversion Price]

Principal amount of Notes owned subsequent to Conversion: _____

Instructions for Registration and Delivery of share certificate:

Register the Common Shares as set forth below:	**Deliver the Common Shares as set forth below:**
_____ (Name)	_____ (Name)
_____ (Address)	_____ (Contact Name)
_____	_____ (Address)
	_____

Dated this _____ day of _____.

YA II PN, LTD.

By: _____
(Authorized Signature)

_____
(Official Capacity or Title - please print)

_____
(Please print name of individual whose signature appears above.)

SCHEDULE 5

BANK ACCOUNT DETAILS OF THE INVESTOR

Beneficiary Bank: Bank of America
100 W 33rd Street – New York, NY 10001

Routing #: 026 009 593
BIC/SWIFT Code: BOFAUS3N

Beneficiary Account Number: 483043601148

Beneficiary Account Name: Fundadministration, Inc
4175 Veterans Memorial Hwy
Suite 204
Ronkonkoma, New York 11779

FBO: YA II PN, LTD *(Please instruct your bank to include the FBO details in the wire payment-Bank to Bank reference)*

SCHEDULE 6
BANK ACCOUNT DETAILS OF ROYAL NICKEL CORPORATION

FIELD NAME	FORMAT FOR USD PAYMENT
DESTINATION BANK OR INTERMEDIARY INSTITUTION	JP MORGAN CHASE BK, NEW YORK SWIFT BIC CHASUS33 FED ABA 021000021
ACCOUNT WITH INSTITUTION	ROYAL BANK OF CANADA, TORONTO 200 Bay St- Main Flr, Toronto, ON M5J 2J5 SWIFT BIC ROYCCAT2 UID 0552353
BENEFICIARY	ACCOUNT # 4054714 TRANSIT #00002
ADDRESS	ROYAL NICKEL CORPORATION SUITE 800 357 BAY STREET TORONTO ONTARIO M5H 2T7

SCHEDULE 7
Registration of Warrants

Register the Warrants as set forth below:

YA II PN, LTD.
(Name)

(Account reference, if applicable)

PO Box 309, Ugland House, Grand Cayman KY1 110
(Address)

APPENDIX A

WARRANT INSTRUMENT

APPENDIX A

WARRANT INSTRUMENT

ROYAL NICKEL CORPORATION

WARRANT CERTIFICATE

2016 – W- ___

THIS IS TO CERTIFY THAT for value received ● (the "**Holder**") is the registered holder of ● Warrants and is entitled for each whole Warrant represented hereby to purchase one (1) fully paid and non-assessable common share (each a "Share" and collectively the "Shares") in the capital of **ROYAL NICKEL CORPORATION** (the "Corporation") at a price per Share equal to **C$0.50** subject to adjustment as hereinafter provided (the "**Subscription Price**"), upon and subject to the following terms and conditions.

The Warrants represented hereby shall be exercisable at the option of the Holder at any time and from time to time from the period (the "**Exercise Period**") of the date of this warrant certificate to the second anniversary of the date of this warrant certificate (the "**Expiry Date**").

TERMS AND CONDITIONS

1. During the Exercise Period, the Holder may exercise all or any number of whole Warrants represented hereby, upon delivering to the Corporation at its principal office at 357 Bay Street, Suite 800, Toronto, Ontario, M5H 2T7, Attn: Chief Financial Officer, together with a duly completed and executed subscription notice in the form attached hereto (the "**Subscription Notice**") evidencing the election of the Holder to exercise the number of Warrants set forth in the Subscription Notice (which shall not be greater than the number of Warrants represented by this Warrant Certificate as adjusted from time to time pursuant to Sections 4 and 5 of this Warrant Certificate) and a certified cheque, money order or bank draft payable to the Corporation for the aggregate Subscription Price of all Warrants being exercised. If the Holder is not exercising all Warrants represented by this Warrant Certificate, the Holder shall be entitled to receive, without charge, a new Warrant Certificate representing the number of Warrants which is the difference between the number of Warrants represented by the then original Warrant Certificate and the number of Warrants being so exercised.

2. The Holder shall be deemed to have become the holder of record of the Shares which are issuable upon the exercise from time to time of these Warrants (the "**Warrant Shares**") on the date (the "**Exercise Date**") on which the Corporation has received a duly completed Subscription Notice, delivery of the Warrant Certificate and payment of the full aggregate Subscription Price in respect of the Warrants being exercised pursuant to such Subscription Notice; provided, however, that if such date is not a business day in the City of Toronto, Ontario (a "**Business Day**") then the Warrant Shares shall be deemed to have been issued and the Holder shall be deemed to have become the holder of record of the Warrant Shares on the next following Business Day. The Corporation shall use its commercially reasonable efforts to issue and deliver (or cause to be delivered) to the Holder, by registered mail or pre-paid courier to the address specified in the register of the Corporation, one or more certificates for the appropriate number of issued and outstanding Warrant Shares within seven (7) Business Days of the Exercise Date. All costs, expenses and other charges payable by the Corporation in connection with the issue and delivery of the Warrant Shares shall be at the sole expense of the Corporation (other than taxes, including without limitation, withholding tax, if any).

3. The Corporation covenants and agrees that, until the expiration of the Exercise Period, while any of the Warrants represented by this Warrant Certificate shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Sections 4 and 5 of this Warrant Certificate. The Corporation represents and warrants that all Warrant Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment of the aggregate Subscription Price at which such Warrant Shares may at that time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its

creditors in respect thereof. The Corporation further represents and warrants that this Warrant Certificate is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms. The Corporation covenants that it will make all requisite filings under applicable laws to be made by it in connection with the exercise of the Warrants and issue of Warrant Shares.

4. The Subscription Price (and the number of Warrant Shares purchasable upon exercise) shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) Share Reorganization. If during the Exercise Period the Corporation shall:

(i) issue Shares or securities exchangeable for or convertible into Shares to holders of all or substantially all of its then outstanding Shares by way of stock dividend or other distribution, or

(ii) subdivide, redivide or change its outstanding Shares into a greater number of Shares, or

(iii) consolidate, reduce or combine its outstanding Shares into a lesser number of Shares,

(any of such events in these paragraphs (i), (ii) and (iii) being a "**Share Reorganization**"), then the Subscription Price shall be adjusted as of the effective date or record date, as the case may be, at which the holders of Shares are determined for the purpose of the Share Reorganization by multiplying the Subscription Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had such securities been fully exchanged for or converted into Shares on such record date or effective date). From and after any adjustment of the Subscription Price pursuant to this Section 4(a), the number of Warrant Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Subscription Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Subscription Price in effect immediately prior to the adjustment and the denominator of which shall be the Subscription Price resulting from such adjustment.

(b) Rights Offering. If and whenever during the Exercise Period the Corporation shall fix a record date for the issue or distribution of rights, options or warrants to all or substantially all of the holders of Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares at a price per share to the holder (or having a conversion price or exchange price per Share) of less than 95% of the Current Market Price (as defined in Section 5 hereof) for the Shares on such record date (any of such events being called a "**Rights Offering**"), then the Subscription Price shall be adjusted effective immediately after the record date for the Rights Offering to a price determined by multiplying the Subscription Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding as of the record date for the Rights Offering, and

(B) a number determined by dividing either

I. the product of the number of Shares offered under the Rights Offering and the price at which such Shares are offered,

or, as the case may be,

II. the product of the exchange or conversion price per share of such securities offered and the maximum number of Shares for or into which the securities so offered pursuant to the Rights Offering may be exchanged or converted,

by the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date after giving effect to the Rights Offering and including the number of Shares offered pursuant to the Rights Offering (including shares issuable upon exercise of the rights, warrants or options under the Rights Offering or upon the exercise of the exchange or conversion rights contained in such exchangeable or convertible securities under the Rights Offering).

Any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Subscription Price shall then be readjusted to the Subscription Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Subscription Price pursuant to this Section 5(b), the number of Warrant Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Subscription Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Subscription Price in effect immediately prior to the adjustment and the denominator of which shall be the Subscription Price resulting from such adjustment.

(c) Special Distribution. If and whenever during the Exercise Period the Corporation shall issue or distribute to all or to substantially all the holders of the Shares:

(i) securities of the Corporation including shares, rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares or cash, property or assets or evidences of its indebtedness, or

(ii) any cash, property or other assets,

and if such issuance or distribution does not constitute dividends paid in the ordinary course, a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Subscription Price shall be adjusted immediately after the record date for the Special Distribution so that it shall equal the price determined by multiplying the Subscription Price in effect on such record date by a fraction:

(i) the numerator of which shall be the difference between:

(A) the amount obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date, and

(B) the aggregate fair market value (as determined by the directors of the Corporation) to the holders of such Shares of such Special Distribution; and

(ii) the denominator of which shall be the total number of shares outstanding on such record date multiplied by such Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Subscription Price shall then be readjusted to the Subscription Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued. From and after any adjustment of the Subscription Price pursuant to this Section 4(c), the number of Warrant Shares purchasable pursuant to this Warrant Certificate shall be adjusted contemporaneously with the adjustment of the Subscription Price by multiplying the number of Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Subscription Price in effect immediately prior to the adjustment and the denominator of which shall be the Subscription Price resulting from such adjustment.

(d) Capital Reorganization. If and whenever during the Exercise Period there shall be a reclassification or redesignation of Shares at any time outstanding or a change of the Shares into other shares or into other securities or any other capital reorganization (other than a Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification or redesignation of the outstanding Shares or a change of the Shares into other securities), or a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a "**Capital Reorganization**"), the Holder, where they have not exercised the right of subscription and purchase under this Warrant Certificate prior to the effective date or record date, as the case may be, of such Capital Reorganization, shall be entitled to receive, and shall accept upon the exercise of such right for the same aggregate consideration, in lieu of the number of Warrant Shares to which such Holder was theretofore entitled upon such exercise, the kind and aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, he had been the registered holder of the number of Shares to which such holder was theretofore entitled to subscribe for and purchase. If determined appropriate by the board of directors of the Corporation, acting reasonably and in good faith, and subject to the prior written approval of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading, appropriate adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 4(d) with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 4(d) shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Warrant. Any such adjustments shall be made by and set forth in terms and conditions supplemental hereto approved by the board of directors of the Corporation, acting reasonably and in good faith.

(e) Equitable Adjustment. If and whenever at any time during the Exercise Period, the Corporation takes any action affecting its Shares to which the foregoing provisions of this Section 4, in the opinion of the board of directors of the Corporation, acting reasonably and in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes thereof, or would otherwise materially affect the rights of the Holder hereunder, then the Corporation shall, subject to the prior written approval of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and the receipt of all other required approvals, including all required shareholder approvals, execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting reasonably and in good faith. The failure of the taking of action by the board

of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence, absent manifest error, that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

5. The following rules and procedures shall be applicable to the adjustments made pursuant to Section 4:

(a) The adjustments provided for in Section 4 are cumulative and shall be made successively whenever an event referred to therein shall occur, and shall, in the case of adjustments to the Subscription Price be computed to the nearest one-tenth of one cent subject to the following paragraphs of this Section 5.

(b) No adjustment in the Subscription Price shall be required unless such adjustment would result in a change of at least 1% in the prevailing Subscription Price and no adjustment shall be made in the number of Shares purchasable upon exercise of this Warrant unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provisions of this Section 5(b) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

(c) No adjustment in the Subscription Price or in the number of Shares purchasable upon exercise of Warrants shall be made in respect of any event described in Section 4, other than the events referred to in Sections 4(a)(ii) and (iii), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis,* as if it had exercised its Warrants prior to or on the effective date or record date, as the case may be, of such event. The terms of the participation of the Holder in such event shall be subject to the prior written approval, if applicable, of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and the receipt of all other required approvals, including all required shareholder approvals.

(d) For the absence of doubt, no adjustment in the Subscription Price shall be made pursuant to Section 4 in respect of the issue from time to time:

(i) of Warrant Shares purchasable on exercise of the Warrants represented by this Warrant Certificate;

(ii) of dividends paid in the ordinary course of Shares to holders of Shares who exercise an option or election to receive substantially equivalent dividends in Shares in lieu of receiving a cash dividend pursuant to a dividend reinvestment plan or similar plan adopted by the Corporation in accordance with the requirements of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws;

(iii) of Shares pursuant to any stock option, stock option plan, stock purchase plan or benefit plan in force at the date hereof for directors, officers, employees, advisers or consultants of the Corporation, as such option or plan is amended or superseded from time to time in accordance with the requirements of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws, and such other stock option, stock option plan, stock purchase plan or benefit plan as may be adopted by the Corporation in accordance with the requirements of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading and applicable securities laws; or

(iv) of Shares pursuant to the share exchange between the Corporation and certain members of its management team.

and any such issue shall be deemed not to be a Share Reorganization or Capital Reorganization.

(e) If the Corporation shall set a record date to determine the holders of Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Subscription Price or the number of Shares purchasable upon exercise of any Warrant shall be required by reason of the setting of such record date.

(f) As a condition precedent to the taking of any action which would require any adjustment in any of the subscription rights pursuant to this Warrant Certificate, including the Subscription Price and the number or class of shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any commercially reasonable corporate action which may, in the opinion of counsel, be necessary in order that the Corporation have unissued and reserved shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the holder of such Warrant Certificate is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(g) For the purposes of this Warrant Certificate, "**Current Market Price**" of a Share at any date shall be calculated as the price per Share equal to the weighted average price at which the Shares have traded in the principal stock exchange or over-the-counter market on which the Shares are listed or posted for trading during the 20 consecutive trading days (on each of which at least 500 Shares are traded in board lots) ending not more than five trading days and not less than three trading days immediately prior to such date as reported by such market or exchange in which the Shares are then trading or quoted. If the Shares are not then traded in the over-the-counter market or on a stock exchange, the Current Market Price of the Shares shall be the fair market value of the Shares as determined in good faith by the board of directors of the Corporation.

(h) In the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in Section 4(a)(i) or any Rights Offering or Special Distribution, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution, Rights Offering or Special Distribution is effected.

(i) Any question that at any time or from time to time arises with respect to the amount of any adjustment to the Subscription Price or other adjustments pursuant to Section 4 shall be conclusively determined by the board of directors of the Corporation in good faith and shall, absent manifest error, be binding upon the Corporation and the Holder. Notwithstanding the foregoing, such determination shall be subject to the prior written approval of the principal stock exchange or over-the-counter market on which the Shares are then listed or quoted for trading. In the event that any such determination is made, the Corporation shall notify the Holder in the manner contemplated in Section 15 describing such determination.

6. On the happening of each and every such event set out in Section 4, the applicable provisions of this Warrant Certificate, including the Subscription Price, shall, *ipso facto,* be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

7. In any case in which Section 4 shall require that an adjustment shall be effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such an event:

(a) issuing to the holder of any Warrant exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event, and

(b) delivering to such holder any distributions declared with respect to such additional Shares after such Exercise Date and before such event;

provided, however, that the Corporation shall deliver or cause to be delivered to such holder, an appropriate instrument evidencing such holder's right, upon the occurrence of the event requiring the adjustment, to an adjustment in the Subscription Price and/or the number of Shares purchasable on the exercise of any Warrant and to such distributions declared with respect to any additional Shares issuable on the exercise of any Warrant.

8. At least ten Business Days prior to the effective date or record date, as the case may be, of any event which requires or might require adjustment in any of the subscription rights pursuant to this Warrant Certificate, including the Subscription Price and the number of Shares which are purchasable upon the exercise thereof, or such longer period of notice as the Corporation shall be required to provide holders of Shares in respect of any such event, the Corporation shall notify the Holder of the particulars of such event and, if determinable, the required adjustment and the computation of such adjustment. In case any adjustment for which such notice has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable notify the Holder of the adjustment and the computation of such adjustment.

9. The Corporation shall maintain a register of holders in which shall be entered the names and addresses of the holders of the Warrants and of the number of Warrants held by them. Such register shall be open at all reasonable times for inspection by the Holder. The Corporation shall notify the Holder forthwith of any change of address of the principal office of the Corporation.

10. The Corporation shall not be required to issue fractional Warrant Shares in satisfaction of its obligations hereunder and all fractional interests shall be rounded down to the nearest whole number.

11. The registered Holder of this Warrant Certificate may at any time up to and including the Expiry Date, upon the surrender hereof to the Corporation at its principal office, exchange this Warrant Certificate for one or more Warrant Certificates entitling the Holder to subscribe in the aggregate for the same number of Shares as is expressed in this Warrant Certificate. Any Warrant Certificate tendered for exchange shall be surrendered to the Corporation and cancelled.

12. If this Warrant Certificate becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion acting reasonably impose, issue and deliver to the Holder a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost, mutilated or destroyed.

13. Nothing contained herein shall confer any right upon the Holder hereof or any other person to subscribe for or purchase any Shares of the Corporation at any time subsequent to the Expiry Date. After the Expiry Date this Warrant Certificate and all rights hereunder shall be void and of no value.

14. Except as expressly set out herein, the holding of this Warrant Certificate or the Warrants represented hereby shall not constitute a Holder hereof a holder of Shares nor entitle it to any right or interest in respect thereof.

15. Unless herein otherwise expressly provided, any notice to be given hereunder to the Holder shall be deemed to be validly given if such notice is given by personal delivery or registered mail to the attention of the Holder at its registered address recorded in the registers maintained by the Corporation. Any notice so given shall be deemed to be validly given, if delivered personally, on the day of delivery and if sent by post or other means, on the fifth Business Day next following the sending thereof. In determining under any provision hereof the date when notice of any event must be given, the date of giving notice shall be included and the date of the event shall be excluded.

16. Time is of the essence hereof.

17. This Warrant Certificate is binding upon the Corporation and its successors and assigns.

18. The Corporation shall be entitled to treat the Holder as the owner in fact of this Warrant Certificate for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Warrant Certificate on the part of any other person, and shall not be liable for any registration or transfer of this Warrant Certificate which is registered or to be registered in the name of a fiduciary or the nominee of a fiduciary. This Warrant Certificate shall not be assignable or transferable by the Holder.

19. This Warrant Certificate and the Warrants represented hereby shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF this Warrant Certificate has been executed on behalf of Royal Nickel Corporation as of the _____ day of _____, 201___.

ROYAL NICKEL CORPORATION

By: _____
Authorized Signing Officer

SUBSCRIPTION NOTICE

TO: Royal Nickel Corporation
357 Bay Street
Suite 800
Toronto, Ontario
M5H 2T7

Attention: Chief Financial Officer

Terms used herein but not otherwise defined have the meanings ascribed thereto in the attached Warrant Certificate.

The undersigned registered Holder of the attached Warrant Certificate, hereby:

(a) subscribes for _____ Warrant Shares at a price of C$0.50 per Share (or such adjusted price which may be in effect under the provisions of the Warrant Certificate) and in payment of the Subscription Price encloses a certified cheque, bank draft or money order in lawful money of the Canada payable to the order of ROYAL NICKEL CORPORATION or its successor corporation; and

(b) delivers herewith the above-mentioned Warrant Certificate entitling the undersigned to subscribe for the above-mentioned number of Warrant Shares;

in each case in accordance with the terms and conditions set out in the attached Warrant Certificate.

The undersigned hereby directs that the said Shares be registered as follows:

Name(s) in full	Address(es) (including Postal Code)	Number of Warrant Shares

Total:_____

(Please print full name in which share certificates and warrant certificates are to be issued. If any of the Warrant Shares are to be issued to a person or persons other than the Holder, the Holder must pay to the Corporation all requisite taxes or other governmental charges.)

DATED this _____ day of _____, 20___.

_____
(Signature of Subscriber)

_____
(Print Name of Subscriber)

_____
(Address of Subscriber in full)

_____

_____

The certificates will be mailed by registered mail to the address appearing in this Subscription Notice.