



## Victory Nickel Announces Amended Loan Agreement and Warrant Amendments

**Toronto, June 3, 2015** – Victory Nickel Inc. (“**Victory Nickel**” or the “**Company**”) (TSX:NI, [www.victorynickel.ca](http://www.victorynickel.ca)) today announced that it has entered into an amending agreement (the “**Amending Agreement**”) with City Hall Capital LLC (the “**Lender**”) with respect to the securities purchase and loan agreement (the “**SPA Loan**”) entered into in 2014 (see press release dated May 15, 2014). The SPA Loan, having a principal amount of US\$4,000,000, is secured by a general security agreement over the assets of the Company. Under terms of the Amending Agreement, the SPA Loan has been amended to permit the issuance of additional notes by the Company for an additional sum of US\$1,150,000. Any proceeds received from the issuance of such notes will be used to repay the US\$1,000,000 owed under the short-term facility entered into with the Lender on October 1, 2014 that was due on May 31, 2015 bearing interest at 28% per annum. The remainder will be used by the Company for working capital purposes. The aggregate amount of US\$5,150,000 under the amended loan (the “**Amended Loan**”) is now due on July 30, 2015. The interest rate on the Amended Loan is 14.8% per annum.

Prior to the entering into of the Amending Agreement, the Company had issued to the Lender 4,000,000 (after giving effect to the consolidation of the Company effective September 12, 2014) common share purchase warrants (the “**Original Warrants**”). Pursuant to the Amending Agreement, the terms of the Original Warrants were amended to reduce the exercise price to \$0.50 (from \$1.00) and to extend the expiry date to June 3, 2017 (from May 15, 2017). Additionally, as partial consideration for entering into the Amended Loan, the Company has issued to the Lender an additional 1,150,000 common share purchase warrants on the same terms as the Original Warrants, as amended (together with the Original Warrants, the “**Warrants**”). As of the date hereof, one half of the Warrants have vested, with the remainder to vest if: (i) the Company makes a pre-payment under the Amended Loan; and (ii) the five day volume weighted average trading price of the common shares of the Company on the Toronto Stock Exchange is C\$1.00 or lower on the date immediately prior to such pre-payment. All Warrants are subject to a four month plus one day hold period from the date hereof. Additionally, pursuant to the rules of the TSX with respect to the amendment of warrants, the Warrants are not exercisable for a period of ten business days following the date hereof.

“We are pleased in this vote of confidence from our secured lender,” said CEO René Galipeau. “We are beginning to see positive signs in our targeted western Canadian frac sand market, and the Amended Loan will give us time to take advantage of that and work toward refinancing the debt over a longer term.”

### **About Victory Nickel**

Victory Nickel Inc. is a Canadian company with four sulphide nickel deposits containing significant NI 43-101-compliant nickel resources and a significant frac sand resource at its Minago project. Victory Nickel is focused on becoming a mid-tier nickel producer by developing its existing properties, Minago, Mel and Lynn Lake in Manitoba, and Lac Rocher in northwestern Québec, and by evaluating opportunities to expand its nickel asset base. Through a wholly-owned subsidiary, Victory Silica Ltd., Victory Nickel is establishing a presence in the frac sand market prior to commencing frac sand production and sales from Minago.

### **About Victory Silica**

Victory Silica Ltd. is a wholly-owned subsidiary of Victory Nickel and is charged with a phased plan to establish the Company in the frac sand market. In Phase One, the Company constructed a 500,000 tpy dry processing plant and has begun processing and selling sand imported from Wisconsin. The 7P Plant is well located in an area populated with fracking companies, its potential customers, and is within only a few hours' trucking distance of major oil or gas play well sites. Phase Two, which includes the construction of a concentrator, also known as a “wet plant”, in Wisconsin, is expected to reduce costs and ensure security of sand supply through

the control of a frac sand mine in Wisconsin. In Phase Three, the Company intends to construct a larger frac sand plant to process and distribute both imported and domestic sand, which may potentially, but not necessarily, include sand mined as a co-product of development at the Company's Minago project. The Company has already identified a site in Manitoba for this purpose.

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**Forward-Looking Information:** This news release contains certain forward-looking information. All information, other than information regarding historic fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information contained in this news release includes, but may not be limited to the progress and success of the Company's projects, including the Company's goals and business plan with respect to the frac sand business and the future demand for frac sand. The forward-looking information contained in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. With respect to the forward-looking information contained in this news release, the Company has made assumptions regarding, among other things, the Company's future working capital requirements, the Company's ability to generate sufficient cash flow from operations and access existing credit facilities and capital markets to meet its future obligations, goals and business plan, future prices for frac sand and by-products and future demand for processed frac sand. The forward-looking information contained in this news release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including the need to obtain required approvals and permits from regulatory authorities, the volatility of frac sand and by-product prices and demand and geological, technical, drilling and processing problems. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable law, the Company disclaims any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.