



Victory Nickel Announces Debt Restructuring Package

Toronto, November 26, 2015 – Victory Nickel Inc. (“**Victory Nickel**” or the “**Company**”) (TSX:NI, www.victorynickel.ca) today announced that it has entered into a debt restructuring agreement (the “**Restructuring**”) with its secured lender (the “**Secured Lender**”), to restructure and extend the Company’s US\$5.15 million senior secured 14.8% notes (the “**SPA Loan**”), dated as of April 24, 2014 and amended June 3, 2015 plus accrued interest to September 30, 2015. In connection with this transaction, the Company is restructuring outstanding debt obligations to its unsecured lenders and certain of its trade creditors.

Victory Nickel and the Secured Lender have been in discussion with respect to the Restructuring of the SPA Loan since the Company was unable to repay its SPA Loan on the maturity date of July 30, 2015, approximately US\$2 million of unsecured Promissory Convertible Notes due November 12, 2015, and interest payments due June 30, 2015 and September 30, 2015.

“The objective of the restructuring is to allow time for the oil and gas markets to stabilize and provide an environment for the Company to generate cash flow from its investment in its frac sand processing facilities in Seven Persons Alberta,” said René Galipeau, Vice-Chairman & Chief Executive Officer of Victory Nickel Inc. “We are pleased that our secured lender recognizes the potential of these assets in a normalized market and is prepared to wait for repayment of its loan.”

Completion of the Restructuring with the Secured Lender, unsecured lenders and trade creditors is subject to normal regulatory approvals and final documentation. As previously announced, the Company has been placed under remedial delisting review by the TSX. No assurance can be provided as to the outcome of that review and therefore continued qualification for listing on the TSX.

Details of the debt restructuring are as follows:

Secured Loan Agreement

Victory Nickel has entered into a binding term sheet with its Secured Lender to amend the SPA Loan (the “**New SPA Loan**”). Under terms of the agreement the Secured Lender has agreed to extend the maturity date of the SPA Loan by 30 months to January 31, 2018 (the “**Maturity Date**”). The facility amount under the New SPA Loan has been increased to US\$5,500,000, to be used to repay the principal of \$5,150,000 and accrued interest to September 30, 2015.

The interest rate on the New SPA Loan will remain unchanged at 14.8% with interest payable in arrears. The New SPA Loan will be due in full on the Maturity Date, subject to a cash sweep of 75 % of free cash flow (“**Free Cash Flow**”) payable within 45 days following the end of each fiscal quarter. Free Cash Flow will be calculated based on the Company’s quarterly unaudited and annual audited consolidated statements of cash flows, and be calculated as net cash from operating activities, plus net cash from investing activities, plus interest and lease payments as shown in cash flows from financing activities. Allowable investing activities must be approved by the Secured Lender in advance.

For each \$1,000,000 advanced under the New SPA Loan, the Lender shall receive warrants entitling the Lender to purchase 500,000 Victory Nickel shares exercisable at CDN\$0.25 per share for a period of two years from the closing date of the transaction (the “**Warrants**”). Any warrants previously issued under the SPA Loan will be cancelled and replaced with Warrants.

The Lender will receive a fee in shares equal to 4% of the outstanding shares prior to the Restructuring. In addition, the Company must agree to not make any payments to settle past debts of unsecured debt holders prior to repayment of the secured debt without the Secured Lender’s approval.

Unsecured Lenders

The Company has issued two-year unsecured promissory convertible notes aggregating approximately US\$6,000,000 (the "**Promissory Convertible Notes**") with an interest rate of 14.8% per annum and convertible at the option of the holder into the Company's common shares at C\$1.00. One Promissory Convertible Note in the amount of \$2,000,000 is in default as it was due on November 11, 2015, three Promissory Convertible Notes aggregating \$750,000 are due in February 2016, four Promissory Convertible Notes aggregating to C\$265,000 are due at various times between January and March, 2016 and one Promissory Convertible Note in the amount of \$3,000,000 is due in July, 2016. The Company was not able to make the interest payment due on June 30, 2015 and September 30, 2015.

The following terms have been presented to the holders of the Promissory Convertible Notes:

- 50% of the amount of the Promissory Convertible Notes will be converted to common shares of Victory Nickel valued at a price of C\$0.25 per share.
- The remaining Promissory Convertible Notes will be replaced with new promissory convertible notes (the "**New Promissory Convertible Notes**") with the following terms:
 - 1) A maturity date of July 31, 2018.
 - 2) An interest rate of 7% per annum, payable annually or at any time in cash or in shares valued at market at the option of the Company.
 - 3) Convertible at C\$0.25 per share.
 - 4) Outstanding interest on the Promissory Convertible Notes will be settled in Victory Nickel shares valued at C\$0.05 per share.

On conversion of the New Promissory Convertible Notes, holders of the New Promissory Convertible Notes will also receive warrants, with an exercise price of C\$0.50 per share exercisable for a five-year period, to acquire one additional common share of Victory Nickel for each four Victory Nickel common shares acquired on conversion of the New Promissory Convertible Notes.

Trade Creditors

The following terms have been presented to the Company's trade creditors

- 1) Approximately C\$1.3 million of debt to trade creditors may be paid in shares at a price of \$0.05 per share.
- 2) The remaining C\$1.3 million of debt to trade creditors may be paid with New Promissory Convertible Notes as outlined above.

TSX Financial Hardship Exemption Application and Status of Listing on TSX

Under TSX rules, the issuance of New Promissory Convertible Notes and warrants to unsecured lenders and trade creditors noted above would ordinarily require approval of Victory Nickel's shareholders. As such, the Company has applied to the TSX pursuant to the "financial hardship" provisions of section 604(e) of the TSX Company Manual for an exemption from the requirement to obtain shareholder approval. Receipt of such exemption will permit the issuance of the shares, New Promissory Convertible Notes and warrants, as noted above, so that the Company will be able to quickly complete the Restructuring.

Victory Nickel is seeking this exemption from the TSX on the basis that the Company is in serious financial difficulty and the immediacy of the need for the Restructuring does not afford it sufficient time to seek shareholder approval.

About Frac Sand

Frac sand is a proppant used in the oil and gas business as a part of the hydraulic fracturing process – a means of increasing flow to the wellhead. Frac sand must have particular characteristics including achieving certain levels of crush resistance, sphericity and roundness, and it is therefore a relatively rare commodity.

About Victory Nickel

Victory Nickel Inc. is a Canadian company with four sulphide nickel deposits containing significant NI 43-101 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 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-rated 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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Please visit the Company's website at www.victorynickel.ca.

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 is not limited to, the ability of the Company to restructure its debt with the relevant lenders and the ability of the Company to pay future interest and other payments in connection with such debts. 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 ability of the Company to restructure its debts. 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 an unwillingness of the Company's lenders to refinance the Company's debts on terms favourable to the Company or at all and the ability of the Company to continue selling frac sand. Additionally, if the Company is unable to restructure its debts, obtain additional financing and/or continue generating revenue through the sale of frac sand, the Company may be required to curtail activities and/or liquidate its assets or the Company's creditors may seek to seize its assets. 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.