



Victory Nickel Completes Equity and Unsecured Debt Private Placement

Toronto, March 7, 2016 – Victory Nickel Inc. (“**Victory Nickel**” or the “**Company**”) (CSE: NI, www.victorynickel.ca) today announced that it has completed the next step to strengthen the Company’s balance sheet by restructuring a portion of its debt through the first tranche of a private placement of common shares and unsecured promissory convertible notes in settlement of approximately \$5,179,000 of current indebtedness to certain of its unsecured lenders (the “**Promissory Convertible Note Holders**”) and trade creditors (the “**Trade Creditors**”) (collectively the “**Unsecured Debt Restructuring**”). The Unsecured Debt Restructuring included issuing 23,247,600 common shares of the Company at \$0.05 per share and \$0.25 per share, for a weighted average price of \$0.12 per common share and issuing \$2,443,000 of New Promissory Convertible Notes, as defined below.

Completion of the Unsecured Debt Restructuring represents approximately 50% of the value owed to the Promissory Convertible Note Holders and Trade Creditors that were presented with the terms of the Unsecured Debt Restructuring. The Company will offer those unsecured Promissory Convertible Note Holders and Trade Creditors who have not yet chosen to participate in the Unsecured Debt Restructuring the opportunity to participate in a second and final closing that will occur in the near future. A condition of the Company’s secured debt restructuring (see news release dated March 3, 2016) was that unsecured debt held by those unsecured Promissory Convertible Note Holders and Trade Creditors who choose not to participate in the Unsecured Debt Restructuring cannot be paid before the secured debt is repaid in full without prior approval from the secured lender.

“We would like to thank our Promissory Convertible Note Holders and Trade Creditors for recognizing the potential for the Company’s frac sand and nickel businesses to generate significant cash and lead to a revaluation of the Company’s share price under different oil and gas and metal industry circumstances,” said René Galipeau, CEO. “This transaction, combined with the secured debt restructuring will improve the Company’s working capital by approximately \$12,512,000. We sincerely hope that Victory Nickel’s equity will generate significant returns for all shareholders in the near future.”

Promissory Convertible Note Holders

Approximately \$3,932,000 of the debt held by unsecured Promissory Convertible Note Holders was repaid under the following terms:

- 1) 50% of unsecured promissory convertible notes issued between November 2013 and July 7, 2014 with an interest rate of 14.8% per annum (the “**Promissory Convertible Notes**”) were converted to common shares of Victory Nickel based on a price of \$0.25 per share.
- 2) The remaining 50% of the Promissory Convertible Notes were replaced with new promissory convertible notes (the “**New Promissory Convertible Notes**”) having the following terms:
 - A maturity date of July 31, 2018.
 - 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
 - Convertible at \$0.25 per share.
 - On conversion of the New Promissory Convertible Notes, holders will also receive warrants, with an exercise price of \$0.50 per share exercisable for a five-year period from the date of

conversion, to acquire one additional common share of Victory Nickel for each four Victory Nickel common shares acquired.

Outstanding interest amounting to approximately \$291,000 on the unsecured promissory convertible notes for the second and third quarters of 2015 was settled in Victory Nickel shares based on \$0.05 per share.

Trade Creditors

- 1) Approximately \$477,000 of debt to trade creditors was paid in shares at a price of \$0.05 per share.
- 2) The remaining \$477,000 of \$954,000 debt to Trade Creditors was paid with New Promissory Convertible Notes with the same terms as outlined above.

As a result of these transactions, the Company's current debt will be reduced by \$5,179,000 and \$2,443,000 will be reclassified to long-term debt. The current market price for the Company's common shares is \$0.02 per share resulting in equity increasing by US\$461,000 for the shares issued and a non-cash gain of \$2,275,000 being realized.

All dollar amounts in this news release are Canadian dollars. Any dollar amounts in United States currency have been converted to Canadian dollars at an exchange rate of 0.75:1.

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 (currently under option to Corazon Mining Ltd.) in Manitoba, and Lac Rocher in northwestern Québec. Through a wholly-owned subsidiary, Victory Silica Ltd., Victory Nickel at its 7P Plant frac sand processing facility in Seven Persons Alberta, has established itself in the frac sand business prior to commencing frac sand production and sales from Minago.

CONTACT:

Victory Nickel Inc.

René Galipeau or Sean Stokes

Phone: 416.363.8527

Fax: 416.626.0890

Email: admin@victorynickel.ca

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. The forward-looking information contained in this news release, including information related to the completion and outcome of any debt restructuring activities reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. 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. 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.