

Victory Nickel Sells Minago Property, Closes Private Placement, Positions Company to Move Forward in Nickel and Industrial Minerals Markets

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TORONTO, February 10, 2021 - [Victory Nickel Inc.](#) ("Victory Nickel" or the "Company") (CSE:NI) (www.victorynickel.ca) today announced that it has sold its Minago nickel property in northern Manitoba to [Silver Elephant Mining Corp.](#) ("Silver Elephant") on the terms announced in the news release of January 22, 2021.

In a separate transaction, Silver Elephant acquired 100% of the Company's debt held by the Company's secured lender (the "Secured Debt"). The Secured Debt has been restructured such that the Company's secured debt has decreased to approximately US\$5.4 million.

The sale of Minago to Silver Elephant provides for consideration to the Company as follows:

- A US\$6,675,000 credit against the Company's Secured Debt.
- Restructuring of the secured debt facility ("SDF") now owned by Silver Elephant to bear zero percent interest. The SDF has a term ending on February 8, 2026, at which time it will automatically be extended in 5-year increments. Silver Elephant will credit the remaining balance under the SDF to Victory Nickel's benefit upon completion of an independent economic study proving positive net present value in respect of the Minago project during the term of the SDF.
- Reimbursement of up to \$200,000 for financial advisory services rendered by Red Cloud Securities Inc.
- The subscription by Silver Elephant to a private placement of 40,000,000 common shares of Victory Nickel ("VN Share") issued at a price per VN Share of \$0.025 for cash consideration of \$1,000,000, resulting in Silver Elephant owning approximately 29% of Victory Nickel post-investment on a non-diluted basis. This private placement has closed, and each VN Share is subject to a four-month plus 1-day statutory hold period.
- The issuance of US\$5,000,000 worth of Silver Elephant common shares ("Consideration Shares") to Victory Nickel over a one-year period. An initial tranche of 5,363,630 Consideration Shares worth US\$2,000,000 was issued on February 9, 2021, a further US\$2,000,000 worth of Consideration Shares will be issued on or before August 31, 2021, and a further US\$1,000,000 worth of Consideration Shares on or before December 31, 2021, at such timings as may be determined at the sole option of Silver Elephant. All Consideration Shares are subject to a four-month plus one-day statutory hold period.
- The issuance to Victory Nickel of \$2,000,000 in Silver Elephant common shares upon the price of nickel exceeding US\$10 per pound for 30 consecutive business days at any time before December 31, 2023.
- A right of first refusal, exercisable until December 31, 2023, with respect to the exploration of the sandstone (non-nickel bearing sulphides) resources at Minago.

"As stated previously, the Board of Directors' focus in any transaction was on preserving value for all stakeholders of Victory Nickel while at the same time creating a platform that allows the Company to move forward and grow the business. The Company believes it has achieved these goals with the signing of this agreement," said Sean Stokes, Interim CEO of the Company. "The Company has restructured the balance sheet to eliminate a substantial portion of the Secured Debt, and will work to further improve the financial position in the near term. Victory Nickel continues to generate revenue from sand sales at the 7 Persons plant in Alberta, is advancing a strategy to access a sand resource near the Alberta facility in order to expand sand sales from the 7 Persons plant and retains optionality on the Minago sandstone resource. The Company intends to return to active nickel exploration at its Mel and Lac Rocher projects and will identify and review other project opportunities as they become available."

Red Cloud Securities Inc. is acting as financial advisor to the Company.

About Victory Nickel

[Victory Nickel Inc.](#) is a Canadian company with two sulphide nickel deposits, Mel in Manitoba and Lac Rocher in Quebec, containing significant NI 43-101-compliant nickel resources. Additionally, through a wholly-owned subsidiary, Victory Silica Ltd., Victory Nickel has established itself as a producer and marketer of industrial sands in the western Canadian marketplace.

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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. 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.

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