



## Victory Nickel Inc. Files Debt Restructuring Proposal

**Toronto, April 1, 2022** – Victory Nickel Inc. (“Victory Nickel” or the “Company”) (CSE:NI, [www.victorynickel.ca](http://www.victorynickel.ca)) announces that on April 1, 2022 (the “Filing Date”), the Company filed a notice of intention to make a proposal (“NOI”) to address its unsecured debt obligations in a manner that will allow the Company to continue to operate, and ultimately, provide greater value to its stakeholders. Grant Thornton Limited has been appointed proposal trustee to oversee the Company and to assist in the restructuring efforts.

### The Proposal and Process

A filing has been made under Part III, Division I of the *Bankruptcy and Insolvency Act* (the “BIA”). The filing of the NOI will allow the Company an opportunity to finalize and submit a **debt-restructuring proposal** (the “Proposal”) to all unsecured creditors with a provable claim. The Proposal must be approved by greater than 50% in number of unsecured creditors holding at least two-thirds in value voting at a meeting to be held no later than 21 days from the date the Proposal is filed. Pursuant to the provisions of the BIA, if the Proposal is approved by the requisite majorities of creditors and by the Court, the Company **can avoid** a bankruptcy and all proven unsecured debt claims will be paid in accordance with the terms of the Proposal.

If the Proposal is not approved, then the Company will be deemed to be automatically bankrupt. Upon a bankruptcy, a trustee in bankruptcy will be appointed to engage in a liquidation of all of the Company’s assets for distribution in accordance with the priorities under the BIA.

The Company has already begun developing the Proposal which contemplates satisfying up to 100% of the principal amount of debt of proven claims (exclusive of interest) in the form of shares of reporting issuers and cash, in accordance with the following key terms:

- Subject to a reserve sufficient to provide the Company with \$350,000 USD liquidity, creditors will receive a pro rata distribution based on principal debt, exclusive of interest, from approximately 90% of the Company’s holdings in Silver Elephant Mining Corp. (“ELEF Shares”), Flying Nickel Mining Corp. (“FLYN Shares”), Nevada Vanadium Mining Corp. and Battery Metals Royalties Corp., and from an additional C\$2,000,000 in ELEF Shares and FLYN Shares to be received by the Company, as detailed in the Company Update provided below;
- Creditors will receive a further pro rata distribution based on principal debt, exclusive of interest, from 75% of the net sale proceeds of the Company’s assets known as “Mel Project” and “Lac Rocher Project”, if any such sale is completed before January 15, 2024; and,
- Any balance of principal debt, exclusive of interest, as at January 15, 2024, will be deemed satisfied through the issuance of a sufficient number of common shares in the capital of the Company based on the greater of the minimum price permitted under the policies of the Canadian Securities Exchange and the closing price of the Company’s shares on the business day immediately preceding the date of such distribution.

The Company expects a bankruptcy to result in less recovery for unsecured creditors, generally.

## **Victory Nickel Update**

### **Additional ELEF and FLYN Shares to be Received**

On February 23, 2022 the Company issued the Bonus Share Notice to Silver Elephant Mining Corp. ("ELEF") pursuant to the Minago Project Asset Purchase Agreement (the "APA Agreement") dated January 21, 2021 (all terms as defined in the APA Agreement).

With nickel prices exceeding US\$10.00 per pound (as reported by Kitcometals.com) for 30 consecutive business days the Bonus Share Condition has been met and ELEF is required to deliver an additional C\$2,000,000 in shares.

Victory Nickel expects to be in receipt of 1,267,145 in ELEF shares and 45,392 shares of Flying Nickel Mining Corp. ("FLYN") once final regulatory approvals are received. These ELEF and FLYN shares are subject to a four-month hold period as were the previous share payments made pursuant to the APA Agreement.

### **Extinguishment of the Company's Secured Debt Facility**

The Company is pleased to announce that on March 31, 2022, the Secured Debt Facility (as defined in the APA Agreement) has been terminated in full.

### **Summary**

The anticipated delivery of these additional ELEF and FLYN shares and the extinguishment of the SDF further enhances the Company's liquidity position and augments the proposed pay out to be made to the Company's unsecured creditors pursuant to the Proposal.

Over the past 12 months Victory Nickel has worked diligently to enhance and preserve the Company's liquidity. The Proposal as presented provides unsecured creditors with provable claims with the opportunity to recoup the principal monies owed. The Company's board of directors (the "Board") strongly believes this represents the most favourable outcome for the Company's creditors.

If the Proposal is approved, the restructuring will provide Victory Nickel shareholders with a clean balance sheet and sufficient liquidity to invest in its frac sand business and potential residual interests in its Mel and Lac Rocher Projects.

The Board would like to express its gratitude to the Company's Management and employees who have dedicated themselves to creating a viable future for all of Victory Nickel stakeholders.

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **About Victory Nickel**

Victory Nickel Inc. is a Canadian company with significant NI 43-101 sulphide nickel resources in Manitoba and 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 from its 7P Plant in Medicine Hat, Alberta.

### **CONTACT:**

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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.