

TORONTO, May 19, 2015 (GLOBE NEWSWIRE) -- [Victory Nickel Inc.](http://www.victorynickel.ca) ("Victory Nickel" or the "Company") (TSX:NI) (www.victorynickel.ca) today reported financial results for the three-month period ended March 31, 2015. Effective October 1, 2014, the Company changed its functional currency and presentation currency to the United States dollar ("US\$" or "US dollar") from the Canadian dollar ("C\$"). All dollar amounts in this news release are in US\$, unless otherwise noted.

The Company reported a consolidated net loss of \$271,000, or \$0.00 per share, on sales revenue of \$1,522,000 for the three months ended March 31, 2015. This compares with a net loss of \$1,446,000, or \$0.02, on revenues of \$Nil in the comparative period of the prior year during which the Company was in the pre-operating stage at the 500,000 ton per year ("tpy") frac sand plant in Alberta (the "7P Plant").

The 7P Plant produced 13,721 tons of various grades of frac sand during the quarter ended March 31, 2015. The Company accumulated inventory of in excess of 40,000 tons at various stages of the process. As previously announced, until inventories are drawn down through sales, the Company temporarily suspended production. The 7P Plant was in the pre-operating stage during the first quarter of 2014 therefore there are no comparative numbers.

Revenue per ton in the first quarter was \$149.54 per ton on sales of 10,178 tons, resulting in a negative gross margin of \$247,000, or \$24.27 per ton sold. The three-month period ended March 31, 2015 was not a typical sales period as the sudden and material drop in the price of oil that occurred in the fourth quarter of 2014 caused such uncertainty in the market that exploration and production ("E &P") companies basically stopped activities in The Company's market area. This was compounded by spring break up, the time each year when road bans restrict the movement of heavy equipment on to well pads resulting in less drilling and therefore lower frac sand demand. During the prior year comparative quarter, sales revenue of \$274,000 was generated but netted against pre-operating costs.

"The start of 2015 has been a challenging time for the oil and gas industry, and frac sand suppliers like Victory Nickel have been hit hard as a result. We are working with our lenders to improve our financial position, have dramatically cut overhead in an effort to lower costs and are actively evaluating a number of new initiatives to make the Company more competitive," said Rene Galipeau, CEO of Victory Nickel. "Although we are beginning to see some positive developments in the market, and sooner than was initially expected, the recent decline in the price of oil and the resulting decrease in rig count and well completion activity has negatively impacted oil and gas activity leading to reduced demand and pricing for frac sand and other oil services and supplies. These conditions could persist for the remainder of 2015. We believe the downward pressure on frac sand pricing that has been experienced is not sustainable and anticipate being in a position to participate when frac sand demand turns around."

2015 Outlook

The Company has approximately 40,000 tons of premium-quality Northern White Wisconsin frac sand at various stages of completion in inventory at the 7P Plant. Victory Nickel is therefore well-positioned to meet customers' needs when frac sand demand returns. The slowdown is also presenting opportunities and Victory Silica management is actively pursuing these opportunities which should make the Company more competitive in the future.

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.](http://www.victorynickel.ca) 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 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.

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.

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Should you wish to receive Company news via email,
please email cathy@chfir.com and specify "Victory Nickel"
in the subject line.