

Nuinsco Provides Update on Progress Toward Frac Sand Sales by Victory Nickel

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Nuinsco Able to Elect to Participate in Net Cash Flow From Frac Sand Sales

TORONTO, ONTARIO--(Marketwired - Feb 24, 2014) - [Nuinsco Resources Ltd.](#) ("Nuinsco" or "the Company") (TSX:NWI) (www.nuinsco.ca) today provided an update on the status of the development of a frac sand production and marketing operation by its investee company [Victory Nickel Inc.](#) ("Victory Nickel") (TSX:NI) from which Nuinsco stands to benefit through participation in net cash flow derived from the sale of processed frac sand.

In a series of recent news releases, Victory Nickel has announced the shipping and arrival of rail consignments of partially-processed frac sand at its 500,000 ton-per-annum Seven Persons frac sand plant (the "7P Plant") near Medicine Hat, Alberta. A regular, ongoing schedule of sand shipments from Wisconsin, USA to the 7P Plant has been developed, and the production of commercial quantities of finished, premium-quality, Midwest frac sand is anticipated imminently from the 7P Plant.

"Nuinsco is obviously closely monitoring the progress of Victory Nickel and its subsidiary Victory Silica towards frac sand production and sales," said Nuinsco's CEO Paul Jones. "The potential benefit to Nuinsco from participation in this project cannot be overstated as it is expected to provide financial stability to Nuinsco, distinguishing it from many peers and providing the financial means to continue to aggressively explore its outstanding exploration projects and to evaluate new opportunities as they arise."

In March 2013, Nuinsco provided a secured loan to Victory Nickel (see news release dated March 26, 2013) to assist in financing acquisition and construction of the 7P Plant. Nuinsco also provided a backstop to last year's Victory Nickel rights offering. Under terms of the loan agreement, Nuinsco has the right to convert the outstanding balance of the loan into a participating interest in cash flow from the sale of frac sand from the 7P Plant. As reported by Victory Nickel, the 7P Plant is now being commissioned, with frac sand sales anticipated shortly. Nuinsco can elect, following recovery of capital costs by Victory Nickel, to participate in net cash flows from the sale of frac sand through a net cash flow-sharing formula and thereby obtain a non-dilutive income stream to the Company. In addition, Nuinsco is a substantial shareholder of Victory Nickel and anticipates benefitting financially from an appreciation in Victory Nickel's share price following commencement of commercial production.

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. Vast quantities of frac sand are consumed, and more is needed all the time, as shale gas and oil plays in Canada and the US rise to prominence.

About Victory Silica Ltd.

Victory Silica is a wholly-owned subsidiary of Victory Nickel and is charged with a phased plan to establish

that company in the frac sand market. In Phase 1, Victory Nickel plans to begin sales in 2014 of premium quality Midwestern white frac sand from the 7P Plant in Seven Persons, Alberta near Medicine Hat by shipping partially-processed sand purchased in Wisconsin to the 7P Plant for final processing and distribution. 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 2, which includes the construction of a concentrator in Wisconsin, is expected to reduce costs and assure security of sand supply through the control of a frac sand mine in Wisconsin. In Phase 3, Victory Silica has identified a site in Winnipeg, Manitoba, where it plans to build a larger frac sand plant to process and distribute both imported and domestic sands, including sand mined as a co-product of development of a nickel mine at its 100%-owned Minago project in Manitoba. With margins expected to be in excess of \$25 per ton of frac sand sold, Victory Nickel should generate sufficient cash flow in Phases 1 and 2 to provide the financial flexibility to expand its activities by developing a second plant as Phase 3 of its growth plan.

About Nuinsco Resources Limited

Nuinsco is a growth-oriented, multi-commodity mineral exploration company that is focused on world-class mineralized belts in Canada and internationally. In addition to its property holdings in Ontario, Saskatchewan and Turkey, Nuinsco owns common shares in Chalice Gold Mines (TSX: CXN) and [Victory Nickel Inc.](#) (TSX: NI), and a 50% interest in CBay Minerals Inc. (50% Nuinsco, 50% Ocean Partners Investments Limited), a private company that is a dominant player in Quebec's Chibougamau mining camp with assets including a permitted mill and tailings facility, eight past-producing copper/gold mines, three potential near-term copper producers and a 96,000 acre land position. Shares of Nuinsco trade on the Toronto Stock Exchange under the symbol NWI.

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