

March 25, 2013

Victory Nickel Inc.
80 Richmond Street West
Suite 1802
Toronto, ON
M5H 2A4

Attention: President

Dear Sirs:

AMENDED AND RESTATED LOAN AGREEMENT

Reference is made to the letter agreement between us made effective November 26, 2012 (the “**Original Loan Agreement**”) pursuant to which the undersigned loaned you the sum of \$1,000,000 (the “**Original Loan**”).

This is to confirm that, subject to your acceptance of and agreement to this letter agreement (the “**Agreement**”), the Original Loan will be amended and restated as follows (the “**Loan**”):

1. **Borrower:** Victory Nickel Inc., a company validly existing under the laws of Ontario (the “**Borrower**”).
2. **Lender:** Nuinsco Resources Limited, a company validly existing under the laws of Ontario (the “**Lender**”).
3. **Guarantor:** Victory Silica Inc., a company validly existing under the laws of Ontario (the “**Guarantor**”).
4. **Facility:** \$2,500,000, subject to an increase to a maximum of \$3,000,000 pursuant to the Facility Top-Up (as defined and described below) (the “**Facility**”).
5. **Unit Offering:** The Borrower proposes to issue units (each, a “**Unit**”), with each Unit being comprised of one common share in the capital of the Borrower (each, a “**Common Share**”) and one half of one Common Share purchase warrant (each, a “**Warrant**”),

pursuant to a unit offering (the “**Offering**”). In the event that the Offering is not fully subscribed for, the Lender will, at the request of the Borrower, subscribe under the Offering for Units having a total subscription price of the lesser of the deficiency in the gross proceeds of the Offering and \$1,000,000 (the “**Base Standby Commitment Amount**”) subject to an increase to up to \$1,500,000 pursuant to the Facility Top-Up (as defined and described below) to the extent used by the Lender to subscribe for Units (the “**Total Standby Commitment Amount**”). It is acknowledged and agreed that the foregoing subscription may be subordinate to another party’s standby subscription under the Offering.

In the event that the Borrower is not able to raise a minimum of \$2,400,000 under the Offering (inclusive of the Base Standby Commitment Amount), the Lender will, at its option, (i) increase the Total Standby Commitment Amount from \$1,000,000 to the lesser of the deficiency in the gross proceeds of the Offering and \$1,500,000 or (ii) subject to the terms and conditions of this Agreement, make available to the Borrower a further advance under the Facility, or a combination thereof (the “**Facility Top-Up**”). The amount of the Facility Top-Up will be equal to the lesser of (i) \$500,000 and (ii) the difference between \$2,400,000 and the gross proceeds of the Offering (inclusive of the Base Standby Commitment Amount).

The Lender’s subscription price for Units hereunder shall be satisfied by:

- (a) a cash payment;
- (b) a set off of a corresponding amount outstanding, if any, under the Facility (i.e. as a repayment of the amount owing by the Borrower to Lender pursuant to the Facility); or
- (c) a combination thereof.

The method by which the Lender shall subscribe for Units shall be at the option of the Lender. The availability of funds under the Facility will be permanently reduced by any amounts utilized by the Lender to subscribe for Units pursuant to the Offering.

6. Use of Proceeds:

The use of initial advance of \$1,000,000 and the Total Standby Commitment Amount will be for general working capital purposes. All other loan advances will be used to fund capital

expenditures relating to the Borrower's facility at Seven Persons, Alberta (the "7P Plant") including refurbishment of equipment listed in Schedule "A" (the "Equipment").

7. Availability: An initial advance of \$1,000,000 will be made on or before December 15, 2012. The balance of the Facility, excluding the Total Standby Commitment Amount, will be advanced as required upon the fulfillment or waiver of the Conditions Precedent.

8. Arrangement Fee: \$250,000 payable to the Lender in fully paid Common Shares upon execution of the Facility Agreement (the "Initial Arrangement Fee"), subject to approval by the Toronto Stock Exchange (the "TSX") and calculated and issued according to the rules of the TSX and applicable securities laws.

\$50,000 payable to the Lender in fully paid Common Shares upon the utilization of the Facility Top-Up by way of an increase to the Standby Commitment Amount or by way of an advance under the Facility (the "Top-Up Arrangement Fee"), subject to approval by the TSX and calculated according to the rules of the TSX and applicable securities laws.

9. Commitment Fee: 1.5% per annum on the average monthly unadvanced balance of the Facility Amount payable to the Lender in fully paid Common Shares on the date of the final advance (the "Commitment Fee"), subject to approval by the TSX and calculated according to the rules of the TSX and applicable securities laws.

10. Legended Securities

The Lender hereby acknowledges that the Common Shares issued in satisfaction of the Initial Arrangement Fee, the Top-Up Arrangement Fee, the Commitment Fee and the Common Shares and Warrants comprising the Units may be subject to restrictions on resale for a period of four months and a day from the issue date of such Common Shares and such Warrants, and that the certificate representing such Common Shares and the certificate representing such Warrants may bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ● [INSERT DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF ISSUANCE].”

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON TSX.”

- 11. Interest:** Interest shall be payable at the rate of 12% per annum calculated quarterly on the basis of a year of 365 days. For the purposes of the *Interest Act* (Canada) and disclosure under such Act, whenever interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by such other period of time.
- 12. Interest Payments:** Payable quarterly in arrears commencing March 31, 2013.
- 13. Reporting** The Borrower shall deliver to the Lender within 45 days after the end of each quarter the Guarantor’s financial statements and a schedule of Net Cash Flows (as defined below), and a calculation of amounts owing to the Lender, if any.
- 14. Repayment:** At the option of the Lender, \$1,000,000 of the principal amount will be repaid pursuant to the irrevocable direction described under the heading Security below. The balance of the Loan including any accrued and unpaid interest will be payable by the Borrower to the Lender on the earlier of (i) January 31, 2015 and (ii) a Flip-in Event as defined in the Borrower’s shareholder rights plan dated April 17, 2009, as amended.
- 15. Convertibility** The Borrower will promptly notify the Lender in writing (the “**Commercial Production Notice**”) when the 7P Plant has reached a sustained minimum production level equal to 60% of its capacity. The Lender may, at its option, at any time following the earlier of the receipt of the Commercial Production Notice and June 1, 2014 (the “**Conversion Milestone**”), by written notice to the Borrower (the “**Conversion Notice**”), convert the outstanding principal amount owing hereunder to a portion of net cash flow

calculated as follows:

[(Outstanding balance of Loan + Backstop)/(Outstanding balance of Loan + Backstop + Total Net Proceeds)] x 100
(“CF Participation Percentage”) x Net Cash Flow.

Where:

“Total Net Proceeds” means the proceeds of the Offering net of expenses related to the Offering;

“Backstop” means the Total Standby Commitment Amount, and

“Net Cash Flow” means the cash generated from frac sand operating activities per the Borrower's quarterly consolidated financial statements' consolidated Statements of Cash Flows, less cash outlays on capital expenditures relating to the acquisition of the 7P Plant and required modifications to the 7P Plant to operate it as a dry plant. For greater certainty, no deduction shall be made for capital expenditures relating to the development of the Borrower's frac sand mine in Wisconsin.

The CF Percentage of Net Cash Flow shall be payable on or before May 31, August 31, November 30 and February 28 in respect of the preceding calendar quarter.

The Lender's right to the CF Percentage of Net Cash Flow shall terminate on the earlier of (i) cumulative payments of \$10,000,000 (subject to the adjustment below) having been made, or (ii) commencement of Phase II operations (defined as reaching a sustained minimum production equal to 60% of the capacity of the portable wet plant at the Borrower's frac sand mine in Wisconsin) subject to cumulative payments of \$7,500,000 (subject to the adjustment below) having been made.

The cumulative payments shall be subject to the following adjustment:

Applicable cumulative payment x CF Participation Percentage/Targeted CF Participation Percentage,

where:

“Targeted CF Participation Percentage” means 51.02%

Examples of the above calculations are set out in Schedule “B”.

If the Lender exercises its right to convert, the Facility will be deemed to be repaid in full and cancelled (other than the payment of any accrued and unpaid interest which shall be payable in accordance with the terms hereof).

If the Borrower defaults in any payment of the CF Percentage of Net Cash Flow, the Lender may, at its option, accelerate the obligations of the Borrower hereunder by requiring the immediate payment by the Borrower of an amount equal to cumulative payment described above (based upon the status of the Phase II operations at the time of default) less any payments of CF Percentage of Net Cash Flow previously received by the Lender (the “**Termination Payment**”).

16. Prepayment:

The Borrower will have the right at any time to repay all or any part of the Loan, without bonus or penalty, on ten (10) days prior written notice (the “**Prepayment Notice**”). Upon receipt of the Prepayment Notice (and whether or not the Conversion Milestone has occurred), the Lender may, at its option, deliver the Conversion Notice to the Borrower at any time prior to the prepayment of the Loan and the provisions relating thereto shall prevail over the Borrower right to repay.

17. Security:

All present and future obligations of the Borrower to the Lender including the Loan and the Lender's rights to the CF Participation Percentage of Net Cash Flow, including the Termination Payment, shall be secured by the following (the “**Security**”):

- (a) a guarantee of the Borrower's obligations under the Transaction Documents by the Guarantor;
- (b) a first ranking (subject only to the permitted encumbrances listed in Schedule “C”) universal charge, hypothec and a general security agreement, each in favor of the Lender, charging all present and future movable property, corporeal and incorporeal, of the Borrower including the Equipment;
- (c) assignment of the lessee's interest in the lands underlying, and charge over the fixtures comprising, the 7P Plant together with any required consent from the lessor;

- (d) an irrevocable direction (the “**Direction**”) of the Borrower to Prophecy Platinum Corp. (“**Prophecy**”) to pay to the Lender the following option payments under the Option Agreement made as of the 20th day of October, 2009 between the Borrower and Prophecy Coal Corp. (“**PCC**”), as assigned by PCC to Prophecy and as amended:

31 May 2013	\$125,000
27 September 2013	\$150,000
27 December 2013	\$175,000
28 March 2014	\$175,000
27 June 2014	\$175,000
29 August 2014	\$200,000
Total	\$1,000,000

- (e) such other charges, hypothecs, assignments or security interests as the Lender deems reasonably necessary or advisable (having regard to charges, hypothecs, assignments and security interests which are customary for this type of transaction) to secure the Loan and/or to give effect to the terms of this Agreement.

The Direction will be delivered by the Borrower to the Lender and, at the option of the Lender, will be delivered by the Lender to Prophecy. The Lender will provide written notice to the Borrower if the Lender delivers the Direction to Prophecy.

18. Legal Fees and Expenses:

The Borrower will pay all reasonable fees, expenses and disbursements incurred by the Lender in connection with the preparation of term sheets, this Agreement (including the Original Loan Agreement) and the Security (collectively, the “**Transaction Documents**”) and the enforcement thereof.

19. Conditions Precedent to Advance:

The Loan (other than the initial advance of \$1,000,000 and the Total Standby Commitment Amount) is subject to the satisfaction of the following conditions precedent (the “**Conditions Precedent**”) on or before June 1, 2013 which are for the sole benefit of the Lender and may be waived by it in its sole discretion:

- (a) amendment to the existing ground lease for the land underlying the 7P Plant (or reissuance of a revised lease) extending the term and the lawful uses and assignment of same to the Borrower, all on terms satisfactory to the

Lender in its sole discretion;

- (b) perfection of all Security to the satisfaction of the Lender and its counsel;
- (c) receipt of all regulatory approvals and third party consents required in connection with the Transaction Documents;
- (d) execution and delivery of all Transaction Documents by the Borrower and Guarantor, as applicable in form and substance satisfactory to the Lender and its counsel; and
- (e) confirmation that (i) the representations and warranties of the Borrower contained herein are true and correct, (ii) no material adverse change has occurred with respect to the financial condition, business or operations of the Borrower and (iii) no Event of Default has occurred.

For greater certainty, the Conditions Precedent do not apply to Lender's subscription for Units pursuant to the Offering.

20. Accredited Investor

The Lender hereby confirms and certifies to the Borrower that the undersigned is acquiring Common Shares and Warrants of the Borrower pursuant to the Facility as principal and that the Lender is an "Accredited Investor" as defined in National Instrument 45-106 - *Prospectus and Registration Exemptions* and is a corporation that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements.

21. Representations and Warranties of the Borrower:

The Borrower represents and warrants as follows to the Lender and acknowledges and confirms that the Lender is relying upon such representations and warranties in granting the Loan hereunder:

- (a) each of the Borrower and Guarantor is a corporation duly incorporated and organized and is a valid and subsisting corporation under the laws of its jurisdiction of incorporation, with the corporate power and capacity to own or lease its property and assets and carry on its business as currently conducted;
- (b) each of the Borrower and Guarantor has all necessary corporate power and authority to enter into the Transaction Documents to be entered into by it and to do all such acts and things as are required hereunder and thereunder to be done, observed or performed, in

accordance with their respective terms;

- (c) each of the Borrower and Guarantor has taken all necessary corporate action to authorize the creation, execution, delivery and performance of the Transaction Documents to be entered into by it;
- (d) this Agreement constitutes and, when executed and delivered, the Security will constitute valid and legally binding obligations of the Borrower enforceable against it in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.
- (e) when executed and delivered, the Guarantee will constitute valid and legally binding obligations of the Guarantor enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.
- (f) all acts, conditions and things on its part required to be done prior to the execution and delivery of this Agreement in order to make all of the obligations expressed to be incurred by it legal, valid, binding and enforceable have been done in compliance with all applicable laws and regulations prior to the execution and delivery hereof;
- (g) neither the borrowing of money by the Borrower, the execution and delivery by the Borrower and Guarantor of the Transaction Documents to which they are a party nor compliance with the terms and conditions hereof or thereof:
 - (i) will result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree to which the Borrower or the Guarantor may be subject;
 - (ii) will result in a breach of any of the covenants under, or constitute, with or without the giving of notice or lapse of time or both, a default under,

any loan agreement, indenture, trust deed or any other agreement or instrument to which the Borrower or the Guarantor is a party or by which it is bound;

- (iii) will result in a breach or violation of or constitute a default under the articles of incorporation or the by-laws of the Borrower or the Guarantor; or
 - (iv) requires the consent or approval of any other person, firm or corporation;
- (h) there are no actions, suits, investigations, assessments or re-assessments, arbitration or other proceedings pending or, to the knowledge of the Borrower or any of its directors and officers threatened against or affecting the Borrower or the Guarantor or their respective undertakings, properties or assets, at law, in equity or before any court, tribunal or other competent governmental agency or authority, domestic or foreign, and there is not presently outstanding against the Borrower or the Guarantor any judgment, execution, taxing assessment or re-assessment, decree, injunction, rule, order or award of any court, governmental department, administrator or administrative agency, domestic or foreign;
- (i) neither the Borrower nor the Guarantor has made any assignment for the benefit of creditors nor has any receiving order been made against it under the provisions of any applicable bankruptcy legislation, nor has any petition for such an order been served upon it nor are there any proceedings in effect against it under the provisions of any winding-up, restructuring or creditors arrangement legislation;
- (j) all written factual information heretofore or contemporaneously furnished to the Lender by or with respect to the Borrower or Guarantor in connection with this Agreement is true and accurate in all material respects and the Borrower is not aware of any omission of any material fact which renders such factual information incomplete or misleading in any material way;
- (k) neither the Borrower nor the Guarantor is in breach of:
- (i) any order, approval or mandatory requirement or

directive of any administrative body, (ii) any governmental licence or permit, or (iii) any applicable law,

- (l) no Event of Default (as defined herein) has occurred and no event with the passage of time or the giving of notice, or both, has occurred which would become an Event of Default; and
- (m) except as set out in Schedule "C", the Borrower is the legal and beneficial owner of a 100% undivided interest in the Equipment and such Equipment free and clear of all claims, restrictions, liens, mortgages, charges, security interests, encumbrances, options, rights of pre-emption or first refusal, equity, power of sale, hypothecation, other third party rights, agreements, obligations, adverse claims, royalties, profit interests or other payments in the nature of a rent or royalty, or other interests of whatsoever nature or kind, recorded or unrecorded.

22. Affirmative Covenants: The Borrower covenants and agrees that, so long as this Agreement is in force, the Borrower will:

- (a) pay all sums when due as required by this Agreement;
- (b) observe and perform all of the covenants and obligations to be observed and performed by it under this Agreement and each Transaction Document;
- (c) use best efforts to fulfil the conditions precedent set out above;
- (d) do or will cause to be done all things necessary to preserve and keep in full force and effect (i) the corporate existence of the Borrower and Guarantor in good standing as a corporation under the laws of its jurisdiction of incorporation, and (ii) all material agreements, rights, franchises, licences, operations and other arrangements entered into by it;
- (e) notify the Lender of the occurrence of any Event of Default, or of any event which with the passage of time or the giving of notice, or both, would become an Event of Default, forthwith upon becoming aware thereof and specify in such notice the nature of the event and the steps taken or proposed to be taken to remedy the same;

and

- (f) inform the Lender of any actual or probable material litigation against the Borrower or the Guarantor and provide to the Lender, at the request of the Lender acting reasonably, with such other documentation and information concerning the Borrower and the Guarantor and their respective businesses as the Lender may require.

23. Negative Covenants:

While any indebtedness under this Agreement is outstanding, the Borrower covenants with the Lender that it will not without the prior written consent of the Lender:

- (a) merge, amalgamate or consolidate with another person;
- (b) make material investments or enter into ventures of a material nature which are outside the scope of its normal course of business;
- (c) make any sale or disposition of any interest of the Borrower in any of its properties;
- (d) incur any indebtedness for an amount greater than \$50,000;
- (e) guarantee or act as a surety or agree to indemnify the debts of others; or
- (f) pay any dividends or other distributions to its shareholders.

24. Events of Default:

Any one or more of the following events will constitute an Event of Default hereunder:

- (a) if the Borrower makes default in the due and punctual payment of any principal, fees or other amounts owing under any of the Transaction Documents as and when the same becomes due and payable, whether at maturity or otherwise;
- (b) if the Borrower fails to observe or perform any obligation, covenant or term contained in any of the Transaction Documents and such failure has not been remedied within ten (10) days after written notice from the Lender to the Borrower;

- (c) if any representation or warranty made by the Borrower in any Transaction Document or in any certificate delivered pursuant thereto by or on behalf of the Borrower to the Lender shall prove to have been false or misleading in any material respect;
- (d) except for an Event of Default set out in the above paragraphs, if the Borrower defaults in the performance or observance of any covenant, obligation or condition to be observed or performed by it under any other agreement now or hereafter made by the Borrower with the Lender, and such default continues for a period of 10 days after notice is given to the Borrower by the Lender;
- (e) the Borrower defaults in the observance or performance of any obligation, covenant or condition to be observed or performed by it pursuant to any material agreement to which it is a party or by which any of its property is bound if such default affects the title to the Equipment and it fails to remedy such default within the cure period provided for in such material agreement;
- (f) if the Borrower or the Guarantor makes a general assignment for the benefit of creditors; or any proceeding or filing is instituted or made by the Borrower or Guarantor seeking relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any similar law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties or assets; or the Borrower or Guarantor takes any corporate action to authorize any of the actions set forth herein;
- (g) if any notice of intention is filed or any proceeding or filing is instituted or made against the Borrower or the Guarantor in any jurisdiction seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any

substantial part of its properties or assets or seeking possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or a substantial part of the assets of the Borrower or the Guarantor unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within 30 days of institution thereof;

- (h) the institution by the Borrower or the Guarantor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of the affairs of the Borrower or the Guarantor ;
- (i) the institution against the Borrower or the Guarantor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of the affairs of the Borrower or the Guarantor unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within 30 days of institution thereof;
- (j) if an encumbrancer takes possession of any material asset or property of the Borrower or the Guarantor or if any execution, sequestration or other process of any court becomes enforceable against any material asset or property of the Borrower or the Guarantor, or if a distress or like process is levied against any material asset or property of the Borrower ; or
- (k) if the Borrower or the Guarantor ceases or threatens to cease to carry on its business in the ordinary course or makes or agrees to make a bulk sale of its assets or commits or threatens to commit any act of bankruptcy.

25. Remedies:

Upon the occurrence of any Event of Default, the Lender, in its sole discretion, may take any or all of the following actions, with or without notice:

- (a) declare the principal amount of the Loan, any accrued interest owing in respect of the Loan and any other amounts owing under this Agreement, contingent or otherwise, to be immediately due and payable without presentment, demand or other notice of any kind, all of which are hereby expressly waived to the extent

permitted by law;

- (b) take enforcement proceedings under any of the Transaction Documents; and
- (c) proceed by any other action, suit, remedy or proceeding authorized or permitted by this Agreement, or by law or by equity.

26. Governing Law:

This Agreement and all documents delivered pursuant thereto shall be governed by and construed in accordance with the laws of Ontario except for the Quebec security documents which shall be governed by the laws in force in the Province of Quebec.

27. Time of the Essence:

Time shall in all respect be of the essence of this Agreement, and no extension or variation of this Agreement or of any obligation hereunder shall operate as a waiver of this provision.

28. Notices:

Any notice or communication to be given hereunder may be effectively given by delivering the same at the addresses hereinafter set forth or by facsimile or by sending the same by prepaid registered mail to the parties at such addresses. Any notice will be deemed to have been given upon actual delivery, transmittal by facsimile and in the case of prepaid registered mail on the third business day following mailing. The mailing address of the parties are:

To the Borrower:

80 Richmond Street West
Suite 1802
Toronto, ON
M5H 2A4

Attention: President

Facsimile: (416) 626-0890

To the Lender:

80 Richmond Street West
Suite 1802
Toronto, ON
M5H 2A4

Attention: President

Facsimile: (416) 626-0890

- 29. Severability:** Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- 30. Successors and Assigns:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 31. Amendment:** This Agreement may only be amended by an instrument in writing signed by the parties.
- 32. No Waiver:** Any failure by the Lender to exercise any rights or remedies hereunder or under the other Transaction Documents shall not constitute a waiver thereof.
- 33. Assignment:** The Transaction Documents may not be assigned or transferred by the Borrower or the Guarantor without the Lender's prior written consent, which consent may be arbitrarily withheld.
- Other than during the continuance of an Event of Default, the Transaction Documents may only be assigned or transferred by the Lender if (i) the Lender receives the Borrower's prior written consent, which consent shall not be unreasonably withheld or delayed, and (ii) such assignment does not result in an increase in the cost of borrowing to the Borrower or the Guarantor. During the continuance of an Event of Default, the Transaction Documents may be assigned by the Lender in whole or in part without the consent of the Borrower and regardless of any increase in cost to the Borrower or the Guarantor. Upon such assignment, the Lender shall be automatically released from all obligations hereunder with respect to the assigned interest.
- 34. Interpretation:** If any of the terms of the Transaction Documents are inconsistent or contradictory or if there is any conflict between same, the provisions giving the Lender greater rights or remedies shall govern.
- 35. Further Assurances:** The Borrower shall, from time to time forthwith at the Lender's request and at the Borrower's own cost and expense do, make, execute and deliver or cause to be done, made, executed and delivered, all such further documents, acts, matters and things which may be reasonably required by the

Lender with respect to this Agreement or any part thereof and to give effect to any provision thereof.

36. Entire Agreement:

The Transaction Documents represent the entire agreement between the parties hereto with respect to the subject matter hereof.

37. Counterparts:

This Agreement may be executed in counterparts and by facsimile, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

38. Language:

The parties have expressly required that this Letter Agreement and all documents and notices relating hereto be drafted in English. Les parties aux présentes ont expressément exigé que la présente convention et tous les documents et avis qui y sont afférents soient rédigés en anglais.

Please indicate your acceptance by returning a signed copy of this Agreement.

Yours very truly,

NUINSCO RESOURCES LIMITED

Per: "Alison Sutcliffe"
Name: *Alison Sutcliffe*
Title: *V.P. Finance and CFO*

ACKNOWLEDGEMENT

The undersigned acknowledges that it has received a copy of this Agreement and accepts the terms and conditions thereof this 25th day of March, 2013.

VICTORY NICKEL INC.

Per: "S. W. Harapiak"
Name: *S. W. Harapiak*
Title: *President and COO*

SCHEDULE A
LIST OF EQUIPMENT

(see attached)

SCHEDULE A

EQUIPMENT

ITEM	QUANTITY	DESCRIPTION
1	2	30/40/50 MVA Ferranti – Packard Power Transformers Rise : 65°C Type : ONAN/ONAF/ONAF 3 Phase 60 Hertz HV : 230000 Wye LV : 13800 Delta Complete with All accessories, OLTC Beckwith Remote Control Panels, (3) Lightning Arrestors, (3) HV Bushings, (3) LV Bushings with Cable Box, (1) Neutral Bushing Serial No.: 19169101-01 Serial No.: 19169101-02
2	2	PTI Three Phase Zig Zag Grounding Transformer Type : ONAN 160 KVA – 20 Amp Continuous Neutral Current. Rated Current : 1600 KVA 200 Amp for 60 Seconds at Neutral Serial No.: N4956-01 & N4956-02 with IPC Resistor 200 Amps 60 Seconds Serial No.: 11114-1 & 1114-2
3	1	Complete Line Up of 21 Cells of ABB 15 KV Safe Gear Type "B" Arc-Resistant Switchgear Complete with All accessories Relays, CTs Etc - 16 Cells – 1200 Amp Breakers - 3 Cells – 3000 Amp Breakers - 2 Cells – PT Compartments
4	7	Complete Units of Cutler Hammer WLI Motorized Fused Load Break Switches
5	7	Complete Indoor NEMA 1 Unit Substations Consisting of : 2 – Cutler Hammer WLI Motorized Fused Load Break Switches 1 – Delta/GE Dry Type Power Transformer 2000KVA @ 80°C 220°C Insulation Class 13800 Δ / 600 Y 347, Aluminium Windings Fans Installed 1 – 600 Volt Low Voltage Switchgear Complete and With : 1 – Siemens Main Circuit Breaker RL – 3200, 3200A, E/O D/O 4 – Siemens Feeder Circuit Breakers RL – 1600, 1600A E/O, D/O

SCHEDULE B
CONVERSION FORMULA

(see attached)

SCHEDULE C

LIST OF ENCUMBRANCES

1) title retention by seller of equipment to secure unpaid portion of the purchase price