# FORM 7

## MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Victory Nickel Inc. (the "Issuer").**

Trading Symbol: **Ni**

Number of Outstanding Listed Securities: **97,903,867**

Date: **September 1, 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

### General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

### Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact. **During the month of August 2020 the Issuer continued to evaluate nickel and frac sand M&A and associated funding opportunities and continued to pursue sales of frac sand to customers from its Seven Persons processing plant in Alberta (the "7P Plant").**

2. Provide a general overview and discussion of the activities of management. **Management continued to evaluate M&A and funding opportunities.**

**Management also continued to look for ways to increase sales to customers in its existing and new markets.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. **N/A**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned. **N/A**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship. **N/A**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced. **N/A**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship. **N/A**

8. Describe the acquisition of new customers or loss of customers. **N/A**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **N/A**

**10.** Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **N/A**

11. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings. **N/A**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **N/A**

14. Provide details of any securities issued and options or warrants granted.

| Security | Number Issued | Details of Issuance | Use of Proceeds[(1)] |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

*(1) State aggregate proceeds and intended allocation of proceeds.*

**15.** Provide details of any loans to or by Related Persons. **N/A.**

**16.** Provide details of any changes in directors, officers or committee members. **N/A**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The severe impact of COVID-19 has persisted through the second quarter of 2020, and the known, and yet to be felt, worldwide economic and social challenges are expected to be with us for some time to come. Regardless of the timing, however, management believes in the strength of its sulphide nickel assets in Manitoba and Quebec.**

**The 7P Plant continues to generate revenue from ongoing sand sales, albeit not in sufficient volume to fully fund Victory Nickel's operations. Management is looking for new opportunities and markets into which the 7P Plant can sell its products, and intends to continue to do so.**

**With regard to the Company's sulphide nickel assets, all of the projects remain in good standing. As previously announced, a small drill program took place at Minago early in the year, however reporting of results continues to be delayed due to travel and other limitations arising from COVID-19.**

**Events during the first quarter sent shockwaves through all sectors, negatively impacting commodity prices. However, since the end of the first quarter, the nickel price has increased by 34% on the London Metal Exchange. Standard & Poor's ("S&P") predicts nickel prices will move up in the second half of this year this despite cuts in global stainless steel output that they expect will lead to an 8.5% contraction in nickel demand in 2020.**

**Much has been made of the electric vehicle ("EV") revolution and its impact on "energy metals" including Class 1 sulphide nickel, the type of nickel that is found at all of Victory Nickel's properties. The EV market is not immune to the forces impacting every segment of global life in 2020. For example, S&P foresees a weakness in battery-sector nickel demand this year. Significantly though, analysts like Roskill believe the momentum generated in EVs during 2019 will return, and they remain positive on the longer-term prospects for EVs, including the battery technology needed to power them and the sulphide nickel necessary to produce those batteries. Roskill forecasts the demand for nickel in batteries to be "explosive" over the coming decade, stating that "battery applications may have the**

**potential to be the next largest application of nickel after stainless steel by 2029." As such, they expect nickel demand for use in batteries to grow from around 3-4% currently to 15-20% by 2029. This will drive new production of nickel sulphate, a crucial raw material in the Li-ion batteries used to electrify EVs, in significant volumes from primary nickel feedstock like Victory Nickel's Class 1 nickel resources.**

**A recent appeal by Tesla CEO Elon Musk for companies to extract nickel in an efficient and environmentally manner with the prize being "a giant contract over a long period of time" has led to nickel being referred to as the New Gold. Musk also points out that Li-ion batteries should actually be called nickel-graphite, "because the primary constituent in the cell as a whole is nickel." Private equity firm Regent Advisors adds that as a result, the ramp-up of nickel demand is just beginning. Victory Nickel is actively seeking ways to participate in this growth.**

**It is important to remember that the Company's sulphide nickel resources at Minago, Mel, Lac Rocher and Lynn Lake are rare, well located and combine to give your company one of Canada's most significant in-situ sulphide nickel inventories. We thank our shareholders, lenders and suppliers for their continued patience and support. Victory Nickel will continue to evaluate the impact of COVID-19 on its business and will promptly disclose any material impact on its operations.**

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 1, 2020.

Sean Stokes
Interim CEO

| ***Issuer Details***<br>Name of Issuer<br><br>**Victory Nickel Inc.** | For Month End<br>**August 31, 2020** | Date of Report<br>YY/MM/D<br>**20/9/1** |
|---|---|---|
| **Issuer Address: 80 Richmond St. W, 18th Floor** | | |
| City/Province/Postal Code<br>**Toronto, Ontario M5H 2A4** | Issuer Fax No. | Issuer Telephone No.<br>**(416)7127481** |
| Contact Name<br>**Sean Stokes** | Contact Position<br>**Interim CEO** | Contact Telephone No.<br>**(416)7127481** |
| Contact Email Address<br>**sean.stokes@victorynickel.ca** | Web Site Address<br>**www.victorynickel.ca** | |