



Victory Nickel Announces 43-101Frac Sand Resource, Provides Project Updates

Toronto, September 9, 2009 – Victory Nickel Inc. ("Victory Nickel" or the "Company") (TSX:NI, www.victorynickel.ca) today announced that a NI 43-101-compliant resource estimate completed by Wardrop a Tetra Tech Company ("Wardrop") confirms that a 15 million tonne indicated sand resource, of which approximately 84% is marketable frac sand, is contained in the footprint of the proposed open pit shell at the 100%-owned Minago nickel project in Manitoba.

This marketable frac sand resource of 12.6 million tonnes represents a 215% increase in tonnage compared with the November 2006 Preliminary Economic Assessment of the Minago nickel operation which considered only 4 million tonnes of sand to be within frac sand specifications. Frac sand, which is used to improve recoveries in the oil and gas industry, forms part of the overburden that must be removed before mining nickel from the Minago open pit.

"This resource estimate confirms the quantity of frac sand that will be available at Minago during development of the nickel open pit. It's important to remember that the sandstone layer is not confined to the Minago pit area, and that this resource estimate doesn't consider the potentially significant additional tonnage of frac sand that exists outside the open pit limits and which could conceivably be mined using conventional underground mining methods," said Steve Harapiak, President and COO.

"The demand for high-quality frac sand, such as the resource at Minago, should continue to expand given the development of unconventional oil and gas resource plays such as the Montney and Horn River regions in northeast British Columbia, the Barnett and Woodford regions in the southern United States and new emerging plays such as the Marcellus region in the northeast US. This could represent a significant new industry for the province of Manitoba."

As part of the final review of the feasibility study, Wardrop is investigating several options with respect to redesigning the open pit shell, which could result in an additional increase to the sand resource.

Cliff Duke, P. Eng., of Wardrop, is responsible for the resource estimation. Mr. Duke is an independent Qualified Person (QP) in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects and has reviewed and is responsible for the mineral resource presented in this news release. All exploration work is supervised by Paul Jones, Vice-President, Exploration for Victory Nickel, who acts as QP under NI 43-101 and has reviewed and approved the contents of this news release. A National Instrument 43-101 compliant technical report will be filed on SEDAR as soon as possible.

Project Updates

Minago

The frac sand resource estimate will form part of the Minago feasibility study which the Company is now finalizing. A thorough review of the project economics is ongoing to ensure that costs reflect current market conditions.

In addition, the Company is planning for construction of a 1.5 kilometre road at the Minago site that will provide access to a limestone quarry on the property. Access to this quarry is necessary to provide limestone to be used to develop initial mine infrastructure on the Minago site.

All of the Minago nickel resource is contained in the Nose deposit, and covers an area of 70 hectares within Victory Nickel's 109.685 sq km (10970 ha) land position. Nickel mineralization has been identified up to 3 kilometres north on the North Limb. The Company is considering an exploration program to evaluate the potential for additional resources in the North Limb.

Mel

The Company has provided its joint venture partner Vale Inco Ltd. ("Vale") with all the information required for Vale to complete a metallurgical testing program. This represents the final step toward Vale making a decision with respect to its right to back in for a 51% interest in the project.

In addition, Wardrop is in the process of compiling an updated NI 43-101 nickel resource estimate incorporating all drilling done to date.

Lynn Lake

Wardrop evaluated the construction of an integrated nickel operation at Lynn Lake in their December 2007 Lynn Lake Nickel Project Prefeasibility Study. This scenario involves a bioleaching circuit, mill and concentrator. The final leached product would then be converted to nickel, copper and cobalt metal cathodes through solvent extraction and electrowinning circuits, producing a product that could be sold on world metal markets. Wardrop recommended that further bioleaching test work be done. Victory Nickel is in the process of preparing samples to be used for an additional metallurgical test program to be done by Sherritt International Corporation, the timing and scope of which is currently being evaluated.

Lac Rocher

Lac Rocher is a solid project that needs higher metal prices based on the current size of the deposit. Construction of the previously-announced all-weather road that will provide year-round site access is complete. In addition, the permitting process is ongoing to ensure that Lac Rocher can quickly be advanced to production when the appropriate nickel price level is reached. The Lac Rocher deposit is shallow and can be accessed in a short period of time.

The Preliminary Economic Assessment envisions the Lac Rocher deposit being contract mined in two phases using mechanized cut-and-fill mining over a span of 24-26 months. In Phase One, 65,000 tonnes would be extracted at 1.75% nickel, 0.57% copper and 0.062% cobalt; in Phase Two an additional 252,730 tonnes would be extracted at 1.52% nickel, 0.59% copper and 0.051% cobalt (see news release dated November 3, 2008).

Victory Nickel has obtained a Certificate of Authorization ("C of A") for Phase One from the Québec government, and is now working toward obtaining a mining permit for Phase One. For Phase Two, the Company has completed its environmental baseline programs and, in July 2009, submitted to the Québec government its environmental impact statement in order to obtain a C of A. Upon receipt of a C of A, the Company will then work toward obtaining a mining permit for Phase Two.

About Victory Nickel

Victory Nickel Inc. is a Canadian company with four sulphide nickel deposits containing significant 43-101-compliant nickel resources. 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 Quebec, and by evaluating opportunities to expand its nickel asset base. Victory Nickel also owns approximately 6% of Wallbridge Mining Company Limited (TSX:WM) the third largest landholder in the Sudbury Basin.

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For further information, please visit the Company's website at www.victorynickel.ca. Should you wish to receive Company news via email, please email catarina@chfir.com and specify "Victory Nickel" in the subject line.

Forward-Looking Information: This news release contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from estimates and assumptions; uncertainties relating to the availability and costs of financing needed in the future; failure to establish estimated mineral resources; fluctuations in commodity prices and currency exchange rates; inflation; recoveries being less than those indicated by the testwork carried out to date (there can be no assurance that recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production); changes in equity markets; operating performance of facilities; environmental and safety risks; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; unavailability of plant, equipment or labour; inability to retain key management and personnel; changes to regulations or policies affecting the Company's activities; the uncertainties involved in interpreting geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 31, 2009 filed on SEDAR at www.sedar.com. Forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. 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.