



Victory Nickel Options Lynn Lake Project, Obtains Equity Interest in Prophecy

Toronto, October 21, 2009 – Victory Nickel Inc. ("Victory Nickel" or the "Company") (TSX:NI, www.victorynickel.ca) today announced that it has optioned its Lynn Lake Project to Prophecy Resource Corp. ("Prophecy") (TSX-V: PCY).

Under the terms of the agreement, which is subject to required regulatory approvals, Prophecy can acquire a 100% interest in the Lynn Lake Project by paying Victory Nickel an aggregate of \$4,000,000 over approximately four-and-a-half-years, by incurring \$3,000,000 in exploration expenditures over approximately three years and by issuing Victory Nickel 10% of Prophecy's outstanding shares subsequent to Prophecy completing a private placement. The Company also has the right to participate in future equity financings on a pro-rata basis to maintain its 10% interest in Prophecy.

The Lynn Lake Project is located in the historic mining town of Lynn Lake in northern Manitoba, about 320 kilometres by road northwest of the Thompson mining camp. The property is the former Sherritt Gordon Mines Limited mine site known as the Lynn Lake A Mine and Farley Mine, comprised of 30 mineral leases covering an area of 590 hectares. The property was operated by Sherritt Gordon from 1953 to 1976 with reported production of 22.2 million tons at an average grade of 1.023% nickel and 0.535% copper. Victory Nickel acquired the Lynn Lake Project, in addition to the royalty on Victory Nickel's Minago Project, through its acquisition of Independent Nickel Corp. which was finalized in January 2009.

"Victory Nickel's focus is on the large, sulphide nickel resource at Minago in Manitoba's Thompson Nickel Belt," said René Galipeau, Vice-Chairman and CEO. "In addition to providing cash to the Company on a non-dilutive basis, this transaction enables Lynn Lake to move forward rapidly while providing upside participation for Victory Nickel shareholders."

About Prophecy

Prophecy is in the process of earning a 60% interest in the Okeover Copper-Molybdenum property in British Columbia from Eastfield Resources Ltd. (TSX.V: ETF). In late 2006, N.C. Carter, PhD, P.Eng. completed a technical report on the Okeover Property pursuant to National Instrument 43-101 that estimated an inferred mineral resource of 86.8 million tonnes grading 0.31% copper and 0.014% MoS₂ at a 0.20% copper cut-off grade (approximately 593 million lbs of copper and 15 million lbs of MoS₂).

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 Québec, and by evaluating opportunities to expand its nickel asset base. Victory Nickel also owns approximately 5% 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.