



Victory Nickel Granted Environment Act Licence for Minago Sulphide Nickel Mine *Mine development can begin this winter with pre-stripping of open pit*

Toronto, August 24, 2011, – Victory Nickel Inc. (the “Company”) (TSX:NI, www.victorynickel.ca) today announced that it has been granted by the Manitoba government the Environment Act Licence (the “Licence”) for the construction, operation and subsequent decommissioning of the 100%-owned Minago Sulphide Nickel Project in central Manitoba. With this permit in hand, mine development can begin this winter.

“We have completed the feasibility study, improved the economic results of that feasibility study, increased the resource in the Nose Deposit, expanded the amount of nickel within the proposed pit and identified the potential for an additional resource in the North Limb, but being granted the Licence is by far the most significant milestone achieved in the development of a nickel mine at Minago,” said René Galipeau, Vice-Chairman and CEO. “This puts Victory Nickel in a very exclusive group of companies – those with viable, permitted sulphide nickel deposits that are ready for development immediately.”

“We would like to reiterate our thanks to the government of Manitoba and the various First Nations and Métis representatives we have worked with over the past four-plus years to achieve this goal. We look forward to continuing this cooperative spirit for many years to come,” added President and COO Steve Harapiak. “I would also like to personally thank the Honourable Dave Chomiak, Manitoba’s Minister of Innovation, Energy and Mines, for recognizing the importance of the Minago project to the the province and for his efforts on Victory Nickel’s behalf throughout this process.”

“The issuance of the Licence represents the approval of the Environmental Impact Statement that we submitted in May 2010,” said Vice-President, Environment and Sustainable Development Dr. David Mchaina. “We adopted a thorough, cooperative and transparent approach to regulatory issues, community engagements and environmental matters throughout the permitting process to achieve this important step forward.”

“The Minago mine will result in considerable socio-economic benefits accruing to the province of Manitoba, creating employment and business opportunities, and contributing substantially to the economy,” Dr. Mchaina added.

With the permit in hand, the Company can begin pre-stripping the open pit this winter, and is planning to tender contracts for site engineering and power installation. Discussions regarding financing have been ongoing, and the pace of these discussions will pick up in the coming months. All of the optimization work that has been done since December 2009 will be incorporated into a revised feasibility study.

The Minago mine will produce approximately 26 million pounds of nickel per year for about nine years (see news release dated May 2, 2011) from an open pit in the Nose Deposit. The open pit material in the Nose Deposit represents only a portion of the overall nickel resource at Minago. While mining the Nose Deposit pit, the Company will plan for the potential underground mining in the Nose Deposit, as well as development of a second pit on the North Limb based on the recent announcement of an additional 21 million to 34 million tonne Exploration Tonnage Mineralized Inventory (see press release dated August 16, 2011).

Minago Feasibility Study highlights:

- A superior location approximately 485 KM north of Winnipeg, adjacent to a 230 Kv power line that runs directly beside paved provincial highway #6 linking Winnipeg and Thompson.
- The ability to produce the world’s highest grade nickel concentrate grading up to 35.0% Ni.
- Projected average annual ore production of 3.6 million tonnes.
- Projected average annual nickel production in concentrate of approximately 11,000 tonnes.

- A valuable co-product in 11.2 million tonnes of frac sand, a high-demand product used in the oil and gas industry that has the potential to generate average annual revenue, net of freight, of \$70 million.
- Cash cost per pound of nickel before by-product credits: \$6.95 (US\$6.34).
- Metal by-product credits of \$0.79 (US\$0.72) per pound of nickel.
- Frac sand by-product value of \$4.04 (US\$3.68) per pound of nickel.
- Cash costs per pound of nickel, net of credits, of \$2.12 (US\$1.94).

About Victory Nickel

Victory Nickel Inc. is a Canadian company with four sulphide nickel deposits containing significant NI 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 shares in Prophecy Coal Corp. (TSX-V:PCY), Prophecy Platinum Corp. (TSX-V:NKL), Miocene Metals Limited (TSX-V:MII) and Wallbridge Mining Company Limited (TSX:WM), the third largest landholder in the Sudbury Basin, which in turn owns an interest in Duluth Metals Limited.

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Forward-Looking Information: This news release contains forward-looking information. All statements, other than statements of historic 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, 2011 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.