



Victory Nickel Receives Board Approval to Proceed With Development of Minago Mine *Minago is a company-maker and is ready to go*

Toronto, September 19, 2011, – Victory Nickel Inc. (the “Company”) (TSX:NI, www.victorynickel.ca) today announced that its Board of Directors has approved the development of the 100%-owned Minago sulphide nickel mine located on the Thomson Nickel Belt in central Manitoba.

“Minago is an outstanding project around which to build Canada’s next nickel producer,” said René Galipeau, Vice-Chairman and CEO. “The Board of Directors has recognized this by providing management with a decisive mandate to advance the project through the next step toward development.”

Throughout the summer months Victory Nickel was busy optimizing Minago and working toward the issuance of the Environment Act Licence. In addition to drill results confirming the potential for a second open pit in the North Limb, significant developments during this period include:

- May 2: A 24% increase in the pit constrained M&I resource.
- June 29: Receipt of the draft Minago Environment Act Licence.
- August 8: Identifying a western extension of the Minago Nose Deposit.
- August 10: Improved economics at Minago, including an increase in the IRR to 22.9%.
- August 16: Estimating an exploration target mineralization inventory (ETMI) of 21 million to 34 million tonnes grading 0.49% to 0.59% Ni in Minago’s North Limb.
- August 24: Receipt of the final Minago Environment Act Licence, the final major regulatory requirement for mine development.

“The Minago Mine has the potential to be an extremely low cost nickel producer due to the significant by-product value of the frac sand resource,” said Steve Harapiak, President and COO. “The frac sand market has grown immensely since we completed the feasibility study and we expect this to result in even better value than originally forecast. My initial focus will be to build the technical team to take this forward.”

With this approval in hand, management is now faced with the task of financing the project to production. While optimizing the feasibility study and completing permitting, management has held numerous meetings with potential financing partners from various parts of the industry including investors, bankers, equipment suppliers and miners.

“The Board directed management to proceed with financing in the least dilutive manner possible. Our top priority is to secure a joint venture arrangement which will help accomplish this goal. Because of the magnitude of the frac sand component, there is potential to joint venture each of the nickel and frac sand. Equipment leasing is expected to provide approximately \$100 million of the \$500-600 million capex required over the next three-and-a-half to four years of development. A unique debt financing investment could also form part of the financing structure,” Mr. Galipeau added.

Approximately \$75 million is needed to begin development of the project this winter and sustain it until the end of 2012. This sum will finance dewatering of the property, early site works, the construction of the electrical supply and distribution system, the removal of the top 10 metre layer of overburden and commencement of detail engineering.

Conference Call and Webcast

Victory Nickel management will host a conference call on Tuesday September 20, 2011 at 3:30 pm/Toronto time to discuss recent developments at Minago and future plans for the project.

Dial-in details are:

Number: 416.340.2216 / 866.226.1793

N.B: Please connect at least 15 minutes prior to the conference call start time to secure a line. You will be put on hold until the conference call begins.

Webcast details are:

Link: <http://www.gowebcasting.com/2858>

N.B: Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be needed to hear the webcast.

Replay details are:

Number: 905.694.9451 / 800.408.3053

Passcode: 5467706

N.B: Available until Oct 4, 2011 at 11:59PM Toronto time

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.

Victory Nickel's Qualified Person under the NI 43-101 guidelines is Paul Jones, Vice-President, Exploration. Mr. Jones has reviewed and approved the contents of this news release.

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

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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.