



Diamond Drilling Commences at Victory Nickel's Mel Nickel Property

Toronto, February 1, 2011 – Victory Nickel Inc. (the “Company”) (TSX:NI, www.victorynickel.ca) today announced that its 3,500 metre winter drilling program (see news release dated January 20, 2011) has commenced at its 100%-owned Mel sulphide nickel project, 25 kilometres north of Thompson, Manitoba.

The Mel project hosts an NI-43-101 resource (0.50% nickel cut-off grade, see news release dated February 26, 2007) as follows:

Classification	Tonnes	Grade (%Ni)	Contained Ni (lbs.)
Indicated	4,279,000	0.875	82,520,515
Inferred	1,010,000	0.839	18,676,476

Eight drill holes will target the extension of the Mel deposit resource – they will be located between lines 84S and 101S on the local grid (see http://victorynickel.ca/resources/Mel_2011_Proposed_Drilling_Longitudinal.pdf for drill hole locations) to evaluate 518m (1700ft) of strike length of the deposit, between 185 and 300m vertically, for down-dip extension of the existing resource. Two additional holes will be drilled on lines 4800S and 5000S, approximately 600 metres north of, and on strike with, the Mel deposit to assess prospective nickel results obtained from semi-massive sulphide mineralization returning 1.24% Ni over 2.41m in an earlier drill hole.

The Mel Project consists of one mineral lease (the “Mel Lease”) covering approximately 750 Ha and 37 unpatented mineral claims (the “Mel Claims”), encompassing approximately 8,770 Ha. The Mel Lease contains the entire nickel resource and has been the focus of the bulk of past exploration.

Mineralization on the Mel Lease remains open along strike and at depth. The known resource is located between 46 and 183 metres, making low-cost ramp access for mining a possibility. This near-surface resource, along with an agreement that Vale shall mill ore mined from the Mel deposit at its cash cost plus 5% (provided that the product meets Vale’s specifications and that Vale has sufficient mill capacity), makes near-term nickel production with a low capital requirement a possibility. Vale has a 10% net profits royalty.

The Mel property is considered to be a dislocated segment of the Thompson Nickel Belt and the larger group of Mel Claims also offers significant upside potential in all directions.

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.

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 Resource Corp. (TSX-V: PCY) and Wallbridge Mining Company Limited (TSX: WM), the third largest landholder in the Sudbury Basin, which in turn owns approximately 13% of Duluth Metals Limited.

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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 nadine@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 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, 2010 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.