



Victory Nickel Estimates 21 Million to 34 Million Tonne ETMI in Minago North Limb *Exploration target mineralization inventory supports potential for North Limb resource*

Toronto, August 16, 2011, – Victory Nickel Inc. (the “Company”) (TSX:NI, www.victorynickel.ca) today announced that AGP Mining Consultants Inc. has completed an Exploration Target Mineralization Inventory (“ETMI”) on the North Limb mineralization at Victory Nickel's 100%-owned Minago sulphide nickel project in Manitoba. The ETMI demonstrates the potential, indicated by previous diamond drilling, for a significant expansion of the nickel resource exploitable by open pit over and above current known resource in the Nose Deposit.

The ETMI incorporates all the drilling done to date on the North Limb and establishes the target estimate at between 21 million and 34 million tonnes grading 0.49% to 0.59% total nickel, based on a 0.30% total nickel cutoff and 2.43 tonne/m³ bulk density. Any resources identified in the North Limb would be in addition to the known total nickel resource of 54.2 million tonnes Measured and Indicated and 14.6 million tonnes Inferred in the Minago Nose deposit (estimated by Wardrop Engineering a Tetra Tech Company, tabulated below and announced by news release on January 6, 2009).

“This ETMI supports our longstanding conviction of the potential for the North Limb to support additional nickel resources on the property that will extend the mine life at Minago,” said René Galipeau, Vice-Chairman and CEO. “The ETMI compares favourably in terms of grade with the current resource and the nickel mineralization and host rock at the North Limb are identical to that of the Nose Deposit. There is still excellent potential to expand the extent of mineralization in the Nose Deposit and the North Limb, which will be a focus of future drilling on the property.”

The current resource, located entirely in the Minago Nose Deposit, is as follows:

Minago Total Nickel Resource Estimate			
Classification At 0.25% Nickel Cut-off Grade	Tonnes (millions)	Grade (% Ni)	Total In-Situ Nickel (millions of pounds)
Measured Resource	11.1	0.56	136
Indicated Resource	43.1	0.51	484
Total Measured and Indicated	54.2	0.52	620
Inferred Resource	14.6	0.53	170

Minago Feasibility Study highlights include:

- 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).

The ETMI was estimated by Michael Waldegger of AGP Mining Consultants Inc. of Barrie, Ontario. Mr Waldegger modelled a serpentinite body based on lithological logs from diamond drill core. The serpentinite bodies ranged from 100 to 185 metres thick. High-grade cores within the serpentinite bodies were modelled based on a cut-off grade of 0.4% Ni. The high-grade cores ranged in thickness from 5 to 80 metres, and the main high-grade zone within the central serpentinite body was 50 to 60 metres thick. Nickel grade was estimated into blocks within the high-grade and the surrounding serpentinite blocks from assays of diamond drill core samples. A specific gravity of 2.43 was assigned to the block model based on the mean of SG determinations completed on serpentinite core samples within the modelled zones. The potential quantity and grade of the ETMI is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource, furthermore no metallurgical recoveries were considered in the estimate and the reported grades are based on total nickel. Paul Jones, P.Geol, Vice-President, Exploration for Victory Nickel and Michael Waldegger P.Geol have reviewed and approved the technical contents of this press 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 Coal Corp. (TSX-V:PCY), Prophecy Platinum Corp. (TSX-V:NKL) 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, 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.

North Limb and Nose Deposit - Minago Sulphide Nickel Project

