



## **Further Impressive Drill Results Expected to Enhance Reserves in Minago Pit *2010 drilling should have positive impact on Minago economics***

### **HIGHLIGHTS:**

- **Assays continue to demonstrate the presence of substantial new domains of nickel mineralization with grades that are in the upper end of the range of grades used to estimate the Minago resource and reserve.**
- **Near-surface in-pit mineralization previously considered waste is expected to be converted to ore in a revised resource estimate.**
- **The inclusion of the 2010 drill results in reserves should have a positive impact on project economics.**
- **The open pit feasibility study considers the mining of only 25.2 million tonnes, or 57.1%, of the 44.1 million tonnes of current measured and indicated nickel sulphide resources.**
- **There is substantial potential to add mine life and to enhance project economics, subject to feasibility confirmation, through the upgrading of inferred resources outside and below the current pit shell with additional drilling.**

**Toronto, September 14, 2010** – Victory Nickel Inc. (the “Company”) (TSX:NI, [www.victorynickel.ca](http://www.victorynickel.ca)) today announced additional positive results from drill holes within the projected open pit limit at its 100%-owned Minago sulphide nickel deposit. Grades ranging up to 1.34% nickel over 20.94 m, and including 18.37 m grading 1.14% nickel, 24.89 m grading 1.04% nickel and 31.21 m grading 1.02% nickel were returned in assays from holes 22, 24 and 26.

“These new intersections further demonstrate the presence of substantial new domains of nickel mineralization with grades that are in the upper end of the range of grades of the drill holes used to estimate the Minago resource and reserve,” said Paul Jones, Vice-President, Exploration. “Some of this mineralization, along with that defined by the previous holes in this program, lies within the current open pit shell but has been excluded from the reserve used in the feasibility study. The 2010 drill program is therefore expected to add to the size of the reserve, to enhance the project’s economics and to potentially increase Minago’s overall resource and reserve grade. The drilling also suggests that the substantial inferred resource located outside of the pit needs only additional drilling to be upgraded to measured and indicated.”

Results from the 23 holes drilled in the Nose Deposit, which contains the entire Minago resource (see also news releases dated Mar. 31, Apr. 14, May 6, May 28 and Aug. 19, 2010), also provide greater certainty to the geological framework and grade distribution in the footprint of the open pit which may have a positive impact on mining costs.

These drill results will enable the preparation of an update to the resource model used in the feasibility study announced in December 2009 which only considers open pit, and not underground, mining.

“It’s important to remember that the feasibility study only scratches the surface of the overall nickel resource at Minago,” said René Galipeau, Vice-Chair and CEO. “Of the existing measured and indicated resource, only 25.2 million tonnes are in proven and probable reserves in the feasibility study open pit. This represents a mere 57.1% of the measured and indicated sulphide nickel resource, and doesn’t consider the tonnes currently classed as inferred. Much of the mineralization not included in reserves is located below the pit bottom and is likely to be mined by underground methods subsequent to the start of open pit mining.”

Assays from the final four holes of the 2010 program that were drilled in the Nose Deposit are as follows:

DDH No.	Location	From (m)	To (m)	Int (m)	Ni (%)
V-10-22	2W	260.70	282.60	21.90	0.96
		391.26	412.20	20.94	1.34
V-10-23	22+50C	Broad domain of low nickel values			
V-10-24	10W	206.02	216.70	10.68	0.95
		228.87	247.24	18.37	1.14
		271.01	276.40	5.30	0.86
		392.00	441.00	49.00	0.86
V-10-26	1W	157.03	202.83	45.80	0.86
		including	171.20	196.09	24.89
		269.24	358.75	89.51	0.86
	including	277.23	295.98	18.75	0.98
	and	306.77	317.64	10.87	1.19
	and	327.54	358.75	31.21	1.02

All intervals reported in this news release are core lengths. True widths have not yet been established. All analytical results were produced by TSL Laboratories of Saskatoon, Saskatchewan. The drill program is being supervised by Paul Jones, Vice-President, Exploration for Victory Nickel, who acts as QP under National Instrument 43-101 and has reviewed and approved the contents of this news release.

### Mineral Resource Estimate

The Minago mineral resource and reserve estimates are as follows (see news release dated Dec. 14, 2009):

<b>Minago Sulphide Nickel Project - Sulphidic Nickel Resource Estimate</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Grade</b>	<b>Ni(S) In-Situ Nickel</b>
<b>At 0.2% Nickel Sulphide Cut-off Grade</b>	<b>(millions)</b>	<b>(% Ni(S))</b>	<b>(millions of pounds)</b>
Measured Resource	9.1	0.47	94.4
Indicated Resource	35.0	0.42	324.3
<b>Total Measured and Indicated</b>	<b>44.1</b>	<b>0.43</b>	<b>418.7</b>
<b>Inferred Resource</b>	<b>12.0</b>	<b>0.44</b>	<b>115.0</b>

<b>Minago Sulphide Nickel Project - Sulphidic Nickel Reserve Estimate</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Grade</b>	<b>Nickel</b>
	<b>(millions)</b>	<b>(% Ni(S))</b>	<b>(millions of pounds)</b>
Proven	6.6	0.487%	70.8
Probable	18.6	0.410%	168.0
<b>Total Proven and Probable</b>	<b>25.2</b>	<b>0.430%</b>	<b>238.8</b>

## 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 12.9% of Duluth Metals Limited.

### CONTACT:

**Victory Nickel Inc.**

Sean Stokes or Steve Harapiak

Phone: 416.363.8527

Email: [admin@victorynickel.ca](mailto:admin@victorynickel.ca)

For further information, please visit [www.victorynickel.ca](http://www.victorynickel.ca). Should you wish to receive Company news via email, please email [robin@chfir.com](mailto:robin@chfir.com) and specify "Victory Nickel" in the subject line.

**CHF Investor Relations**

Robin Cook

Phone: 416.868.1079

Email: [robin@chfir.com](mailto:robin@chfir.com)

**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](http://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.

## Victory Nickel Minago Project, 2010 Drill Plan

