

VICTORY VIEW

Victory Nickel Inc.

PDAC, March 2011 Issue

Canada's New Pure Nickel Company

Diamond Drilling Ongoing at Minago Sulphide Nickel Deposit

Nose Deposit, North Limb Prime Candidates for Adding Resources

Grand Rapids, Manitoba - Victory Nickel's 100%-owned Minago sulphide nickel project on Manitoba's Thompson Nickel Belt is already one of Canada's largest undeveloped sulphide nickel deposits. But the company is confident there is still much more to come, and is drilling 11,000 metres to prove it.

Minago
Manitoba

The Nose Deposit incorporates all known resources and reserves at Minago (418.7 million pounds in-situ nickel Measured and Indicated resource, 115 million pounds in-situ nickel Inferred resource). This breaks down as follows: (0.2% nickel sulphide cutoff, sulphidic nickel basis) Measured: 9.1 million tonnes grading 0.47% Ni; Indicated: 35.0 million tonnes grading 0.42% Ni; Inferred: 12.0 million tonnes grading 0.44% Ni).

The North Limb is an underexplored and highly prospective zone of sulphide nickel mineralization with a known strike length of 1.5 kilometres located to the north of the Nose Deposit.

The winter 2011 drill program will incorporate the following:

- A single deep hole targeting the down-plunge extension of the nickel resource. In part, this deep drill hole will target a large magnetic mass shown via an airborne survey to extend to a depth in excess of 1.5 kilometres vertically and over two kilometres in length incorporating the Nose Deposit and the North Limb.
- A series of holes up to 600 metres long to define a nickel resource in the North Limb. The North Limb's existing 17 diamond drill holes demonstrate continuity and significant thickness of nickel-mineralized rock identical in character to that which comprises the Nose Deposit.
- Five condemnation holes in the local area of the Nose Deposit in preparation for infrastructure development.

"Near-surface nickel mineralization already identified in past drilling shows that the North Limb is a prime target for significant expansion of the Minago resource," said Paul Jones, Vice-President, Exploration. "The airborne survey shows that the potential exists for the Nose Deposit and North Limb to comprise a single continuous mineralized body. If this is the case, the nickel resource at Minago would increase dramatically, potentially to district proportions."

In 2010, Victory Nickel announced improved economics for the Minago project (see news release dated June 21, 2010). The improvement arose from a reduction in capital cost due to the purchase of refurbished electrical equipment and revisions to the financial model. As a result, the project's base case internal rate of return (IRR) increased to 19.8% from 17.7% and the net present value (NPV) at a 6% discount rate rose by \$85 million to \$487.6 million, compared with the results announced by news release on December 14, 2009. Undiscounted cash flow increased to in excess of \$1 billion (all figures in \$Cdn, unless otherwise indicated).

During 2011, the economics of the Minago deposit will be updated further, reflecting drilling not incorporated in the December 2009 feasibility study, and with higher metal prices and more tonnage, an already robust project is bound to keep improving.

Minago Sulphide Nickel Project: Economic Summary Comparison June 21, 2010 - December 14, 2009:

	Base Case, June 21, 2010 ¹ (\$millions, except %)	Base Case December 14, 2009 ¹ (\$millions, except %)	Increase (%)
Undiscounted Cash Flow	1,053.7	917.7	14.8
NPV@8%	367.1	293.8	24.9
NPV@6%	487.6	402.6	21.1
NPV@4%	636.8	538.0	18.4
IRR	19.8	17.7	11.9

¹ Three-year trailing average US\$ metal prices and exchange rate as of market close December 10, 2009:
Ni: \$11.19/lb; Cu: \$2.91/lb; Pd: \$322.4/oz; Pt: \$1,353.98/oz; Au: \$836.25/oz; Co: \$27.73/lb; Ag: \$14.25/oz;
Rh: \$2,254.56/oz; \$Can/\$US exchange rate: 1.097



Core Shack at Minago

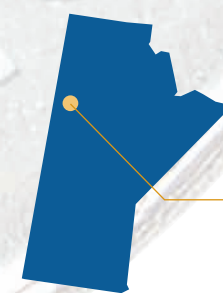
Lynn Lake Project: Prophecy Resource Moving Aggressively to Advance Past Producing Mine

Lynn Lake, Manitoba - In October 2009, Victory Nickel optioned its Lynn Lake Project (located in the historic mining town of Lynn Lake in northern Manitoba, about 320 km by road northwest of the Thompson mining camp) to Prophecy Resource Corp. (TSX-V: PCY) in exchange for cash, work commitments and an equity interest in Prophecy which Victory Nickel has added to and maintains today.

Led by Vancouver entrepreneur John Lee, Prophecy is an aggressive junior intent on building value. Since optioning Lynn Lake, Prophecy has been active, both at Lynn Lake and corporately – adding to, and restructuring its asset base.

The Lynn Lake mine was operated by Sherritt-Gordon from 1953 to 1976. During its 23 years of operation, the mine produced over 20 million tonnes of Ni-Cu ore at a grade of 1.02% Ni and 0.54% Cu, making it the third largest nickel producer in North America.

Lynn Lake contains Measured and Indicated mineral resources of 22.9 million tons of 0.57%

Lynn Lake
Manitoba

nickel and 0.30% copper and 8.1 million tonnes of Inferred resources at 0.51% nickel and 0.28% copper (updated Wardrop Technical Report May 2010). Approximately 50% of the host rock remains unexplored, and new discoveries were made in the Disco Zone and the Tango Zone last year which have not been NI 43-101 assessed as yet. Most recently, Prophecy entered into a binding letter of agreement with Pacific Coast Nickel Corp. (PCNC) (TSX-V: NKL) whereby PCNC will acquire Lynn Lake as well as Prophecy's Wellgreen PGM Ni-Cu property. Prophecy shares have performed well, and with new initiatives underway, and more to come, the transaction with Prophecy has great potential to continue to create value for Victory Nickel shareholders.

Lac Rocher:

Preparing for Production, at the Right Nickel Price

Lac Rocher, Quebec - High grades, near surface mineralization and an excellent location. The Lac Rocher project has a lot going for it, and with all these benefits, Victory Nickel is taking a fresh look at Lac Rocher in light of current metal prices.

A Preliminary Economic Assessment envisions the Lac Rocher deposit being contract mined in two phases using mechanized cut-and-fill mining over a span of 24-26 months. In Phase One, 65,000 tonnes would be extracted at 1.75% nickel, 0.57% copper and 0.062% cobalt; in Phase Two an additional 252,730 tonnes would be extracted at 1.52% nickel, 0.59% copper and 0.051% cobalt. All extracted material is assumed to be transported to an offsite mill.

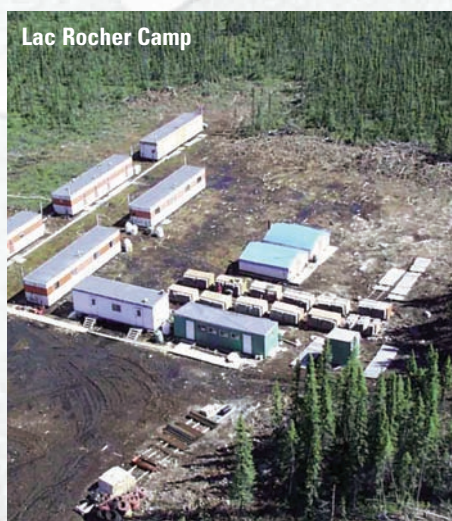
To ensure it is ready to take advantage of this potential, Victory Nickel has built an all-weather road to give year-round access for drilling and, potentially, production activities.

The road was built by general contractor, Manchetau Construction, a group of Cree Partners from the Waswanipi Cree First Nation, which brings a local commitment to the construction project. Victory



Lac Rocher
Quebec

Nickel has shown that it is prepared to employ and build relationships with First Nations and local communities that will bring economic benefits to the regions in which it operates.



Lac Rocher Camp

Frac Sand:

A By-Product with Intriguing Potential to Add Value for Victory Nickel

Grand Rapids, Manitoba - While nickel gets the most attention at Minago, one of the more unique features of this large and valuable project is not a metal at all, but a high-value by-product with the potential to generate substantial revenues – frac sand.

Frac sand is used in the oil and gas industry to increase flow to the wellhead. Vast quantities are consumed in hydraulic fracturing (“fracing”), and demand for frac sand is expected to increase as shale gas plays in Canada and the US rise to prominence. At Minago, frac sand is contained in a sandstone layer approximately 10 metres thick and overlying the nickel deposit. This layer must be removed as part of pre-stripping the open pit and, according to engineering firm Wardrop, a Tetra Tech Company, the proposed pit area contains a marketable frac sand resource of 11.2 million tonnes. And there is potentially more to come.

“It’s important to remember that the sandstone layer is not confined to the Minago pit area, and that this resource estimate doesn’t consider the potentially significant additional tonnage of frac sand that exists outside the open pit limits and which could conceivably be mined using conventional underground mining methods,” said Steve Harapiak, President and COO. “The demand for high-quality frac sand, such as the resource at Minago, should continue to expand given the development of unconventional oil and gas resource plays such as the Montney and Horn River regions in northeast British Columbia, the Barnett and Woodford regions in the southern United States and new emerging plays such as the Marcellus region in the northeast US. This could represent a significant new industry for the province of Manitoba.”

Victory Nickel’s frac sand resource could set the stage to launch a significant new resource industry for the province of Manitoba.



Drill Rig at Minago Project

Minago

Mel

Big Property, Big Potential

Thompson, Manitoba - Just north of Thompson is a large property, approximately 25 km east-west by 6 km north-south, called Mel. In September 2010, Nuinsco attained 100% ownership of this highly prospective sulphide nickel project when Vale Canada Limited’s (Vale) right to earn back an interest in the property expired.

Victory Nickel earned in to the Mel property by spending \$6 million on the project. The period during which Vale could exercise its back-in right had previously been extended by Victory Nickel to allow Vale an opportunity to complete metallurgical testing. Vale retains a 10% net profits royalty, to be calculated in accordance with the original property agreement.

“We’re very pleased with this outcome, because it means that we can advance Mel on our own terms and on our own schedule,” said René Galipeau, Vice-Chairman and CEO. “We firmly believe that a much larger resource exists at Mel, and we now have the ability to advance the project as we see fit.”

The Mel property is located within 25 kilometres of Inco’s processing facilities in Thompson, Manitoba, and 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. While only a small part of the total project area, the Mel Lease contains the entire NI-43-101 resource (0.50% nickel cut-off

grade, see news release dated February 26, 2007): 4.3 million tonnes of Indicated resources grading 0.88% nickel, and an additional Inferred resource of 1.0 million tonnes grading 0.84% nickel located between 46 metres and 183 metres from surface. This near-surface resource, along with a stipulation in the option agreement that Vale shall mill ore mined from the Mel deposit at cost plus 5% (provided that the product meets Vale’s specifications and that Vale has sufficient mill capacity), makes nickel production with a low capital requirement a possibility.

But Victory Nickel believes there is much more to be found at Mel, and is currently diamond drilling to further evaluate the potential. Mineralization on the Mel lease remains open along strike and at depth, and the larger group of Mel Claims also offers significant upside potential in all directions.

The winter 2011 diamond drill program will comprise eight drill holes to test for a down-dip extension of the existing resource shell. The holes are being drilled to a vertical depth of between approximately 185m and 300m. Two additional holes are being drilled 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. Drilling began in early February 2011.

Project Information

Location	Thompson, Manitoba, Canada
Ownership	100%
Commodity	Nickel
Project Type	Underground-ramp potential
Project Status	Pre-production
Resource	Indicated Resource of 4.3Mt @ 0.88 Ni Inferred Resource of 1.0 Mt @ 0.84% Ni



Mel
Manitoba

Forward-Looking Information: This document contains forward-looking information. All statements, other than statements of historical 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. Paul Jones, Vice-President, Exploration for Victory Nickel, acts as QP under National Instrument 43-101.