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Victory Nickel Inc.

**Building
Canada's Next
Nickel Producer**

**Minago Sulphide Nickel
Project**

**Conference Call Update
September 20, 2011**



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Disclaimer

Some of the statements contained in the following material may be "forward-looking statements." All statements, other than statements of historical fact, that address activities, events or developments that Victory Nickel believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. These forward-looking statements reflect the current expectations or beliefs of Victory Nickel based on information currently available to Victory Nickel. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Victory Nickel to differ materially from those discussed in the forward-looking statements, 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 Victory Nickel. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to successfully complete intended financings, capital and other costs varying significantly from estimates, production rates varying from estimates, changes in world copper and/or gold markets, changes in equity markets, uncertainties relating to the availability and costs of financing needed in the future, equipment failure, unexpected geological conditions, imprecision in resource estimates, success of future development initiatives, competition, operating performance of facilities, environmental and safety risks, delays in obtaining or failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Victory Nickel disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Victory Nickel believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

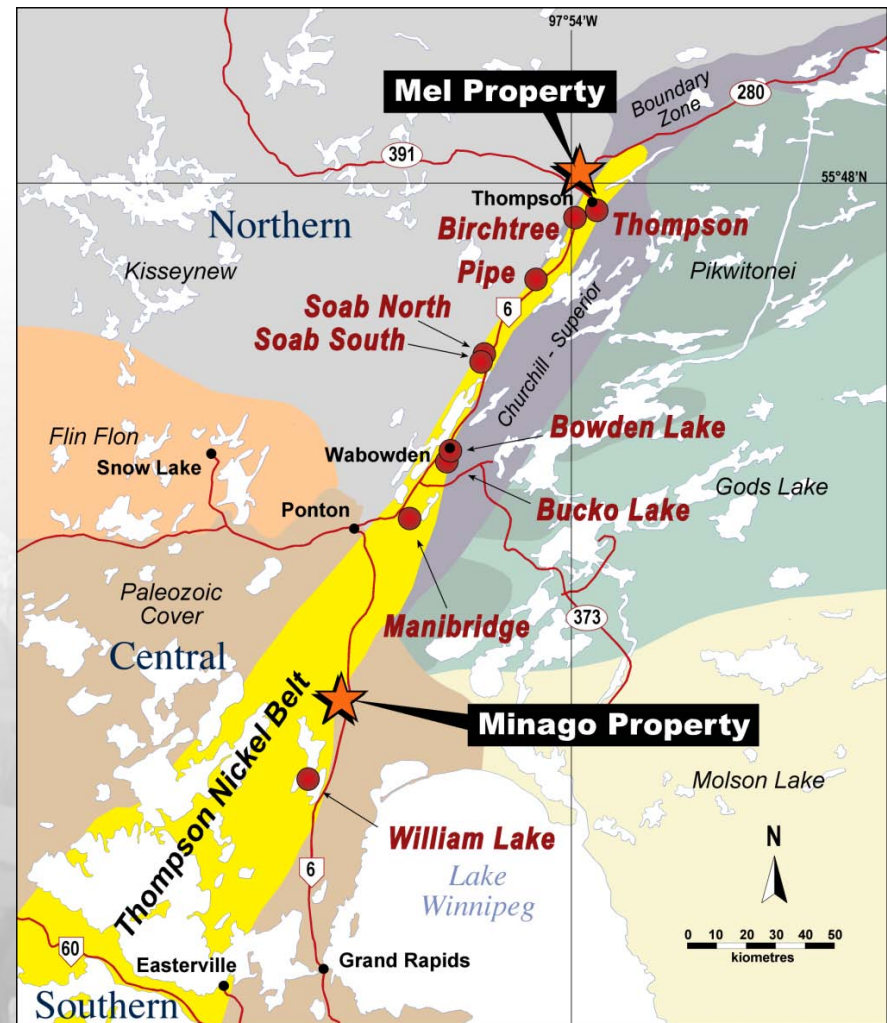
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Well Located



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- ❑ Manitoba: mining friendly
- ❑ Adjacent to provincial hwy #6 & 230 Kv powerline
- ❑ Rail head located 60Km north giving east-west rail access
- ❑ Several established communities nearby
- ❑ On strike with numerous existing and past producers on Thompson Nickel Belt




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Environmental Act Licence



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THE ENVIRONMENT ACT
LOI SUR L'ENVIRONNEMENT

Manitoba 

LICENCE

Licence No. / Licence n° 2981

Issue Date / Date de délivrance August 23, 2011

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 11(1) / Conformément au Paragraphe 11(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

VICTORY NICKEL INC.: "the Licensee"

for the construction, operation, and subsequent de-commissioning, of a 10,000 tonnes per day open pit nickel ore mining, milling, and concentrating Development as per the Proposal dated April 30, 2010, including the mining and processing of 4,100 tonnes per day of frac sand, and the trenching and mining of certain peat overburden, collectively called the "Minago Project", to be located on Highway No.6 at a site approximately 225 kilometres south of Thompson, on Mineral Lease ML-002, comprised of Lots 1 to 12, Group 372, Plans 17614 to 17650, as shown on Director of Surveys; and including the construction and eventual de-commissioning of a 4.2 kilometre access road, the construction and operation of a tailings waste rock management facility; the installation and operation of groundwater drawdown wells to facilitate access to the mining target; and the installation and operation of two sewage treatment facilities.

DEFINITIONS

In this Licence:

"accredited laboratory" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

"AP" means the maximum acid-generation potential, expressed as tonnes of CaCO₃ per 1000 tonnes of a material tested, determined in accordance with a static Acid-Base Accounting method satisfactory to the Director;

"approved" means approved by the Director in writing;

"composite sample" means as defined in the MMER;

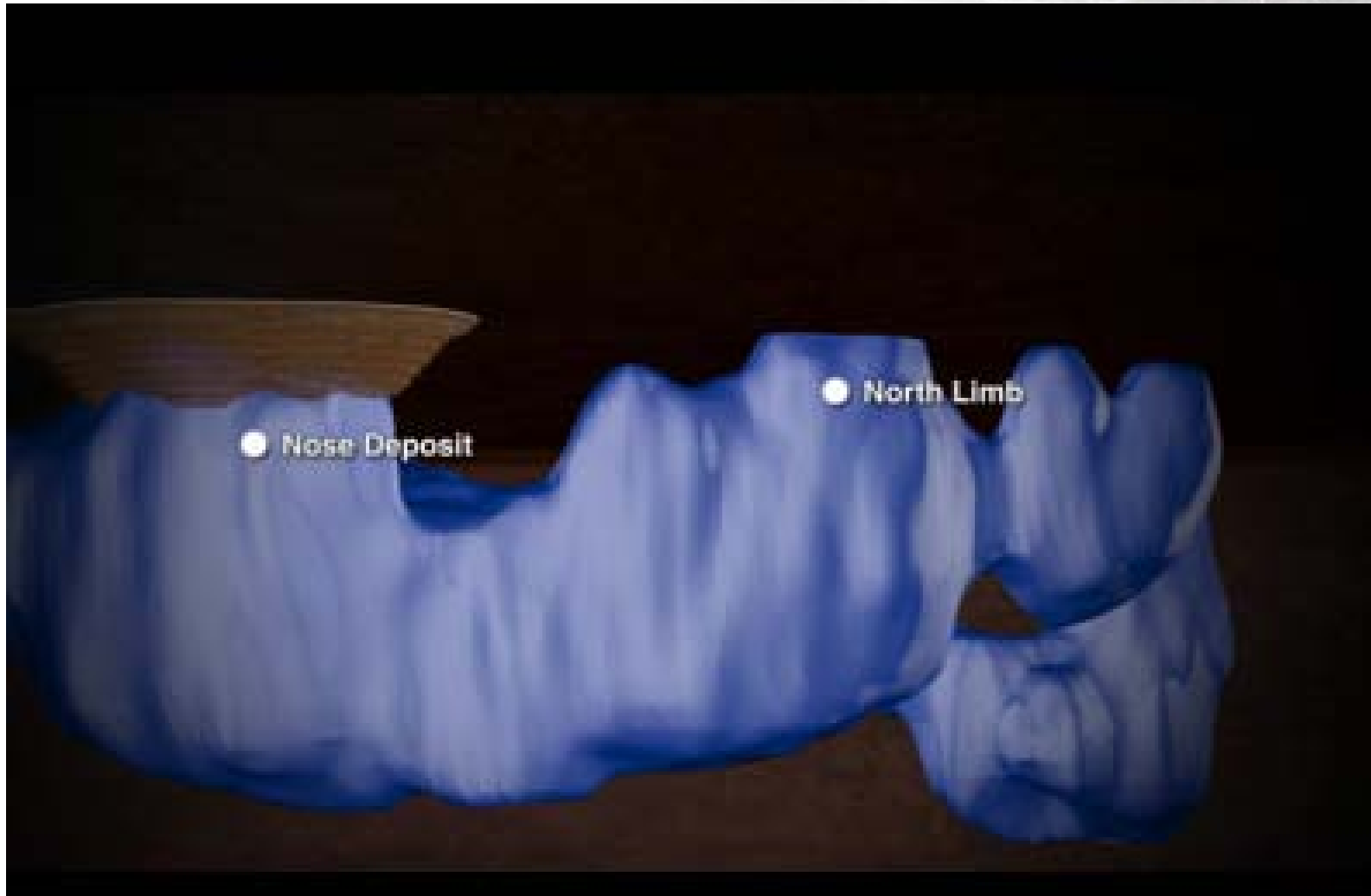
"A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES"

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Geology



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Geology



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Minago Project

Recent Significant Developments

- ❑ **24% increase in pit-constrained M&I resource**
- ❑ **Receipt of draft and final Minago Environment Act Licence**
- ❑ **Identification of western extension of Minago Nose Deposit**
- ❑ **Improved economics, including an increase in IRR to > 22%**
- ❑ **Identification of a 21 million to 34 million tonne ETMI in the North Limb grading 0.49% to 0.59%**

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Project Optimization to Date



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	Feasibility Study 2009	Post Optimization 2011
Avg. Annual Ore Production	3.6 million tonnes	3.6 million tonnes
Avg. Annual Ni Production in Concentrate	~11,000 tonnes	~11,000 tonnes
Concentrate Grade	22.3%	22.3%
Stripping Ratio (frac sand as waste)	11.7:1	8.9:1
Stripping Ratio (no sand)	10.7:1	8.5:1
Stripping Ratio (post overburden removal)	5.2:1	4.1:1
Initial Open Pit Mine Life	7 years	8.6 years
Breakeven Ni Price	US\$5.06	US\$4.28
Capex	\$593 million	\$585 million

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Summary Project Schedule



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Activity Start Quarter	2011	2012	2013	2014	2015
Early Works	Q4				
Pit Dewatering Wells		Q1			
Substation Installation		Q1			
Overburden Removal		Q1			
Mine Development			Q1		
Frac Sand Production				Q1	
Nickel Production					Q1

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Potential Financing Structure



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First priority: Joint venture agreements

- Equipment financing through manufacturers/suppliers
- Royalty arrangements
- Bank financing
- Offtake agreements
- Equity, when appropriate

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Feasibility Study Optimization



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Minago Sulphide Nickel Project: Economic Summary Comparison

	Base Case Dec. 14, 2009 ¹ (\$million except % & yrs)	Base Case Jun. 21, 2010 ¹ (\$million except % & yrs)	Base Case July 19, 2011 ^{1,2} (\$million except % & yrs)	Base Case July 19, 2011 ^{1,2,3} (\$million except % & yrs) (no Frac Sand)
Undiscounted cash flow	917.7	1,058.1	1,418.4	731.5
NPV @ 8%	293.8	370.6	513.0	153.4
NPV @ 6%	402.6	491.2	669.3	250.1
NPV @ 4%	538.0	640.7	864.6	373.2
IRR	17.7%	19.9%	22.4%	13.1%
Pre-Production Capital	593.0	585.1	585.1	559.1
Payback, from start of nickel production, in years	4	4	3	5



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Cost Summary

C₁ Cash Cost Per lb Nickel	Feasibility Study	After Optimization
Net of Credits *	US \$1.94 (C\$2.12)	US \$2.20 (C\$2.41)
Metal By-Product Credits	US \$0.72 (C\$0.79)	US \$0.77 (C\$0.85)
Frac Sand By-Product Value	US \$3.68 (C\$4.04)	US \$2.90 (C\$3.18)
Cash Cost per lb Nickel Before By-Product Credits	US \$6.34 (C\$6.95)	US \$5.87 (C\$6.44)

*Net C₁ costs increase when metal production increases without corresponding frac sand increase (same size pit)

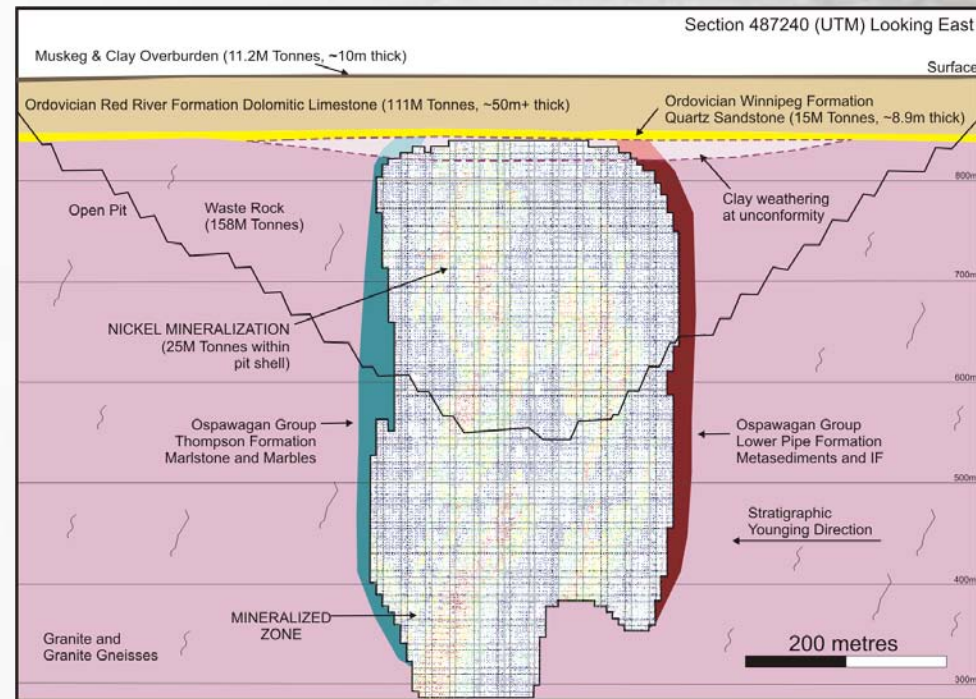
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Frac Sand



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- 11.2 million tonnes marketable frac sand resource in pit footprint
- Mining occurs over three years; sales over 10 years
- Selling price per tonne, net of freight = \$63.02
- Projected annual net revenue = \$70 million
- Processing cost per tonne of frac sand = \$6.50



- Frac sand by-product value per pound of nickel = \$4.04 (US\$3.68); optimized: \$3.18 (US\$2.90)

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Accomplishments



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- ❑ Identified one of Canada's largest nickel deposits and continue to find more nickel in project area
- ❑ Taken Minago from exploration to feasibility
- ❑ Enhanced feasibility study – more to come
- ❑ Solidified potential for a second open pit in North Limb
- ❑ Potential to create a new industry – frac sand - for the province of Manitoba
- ❑ Successfully permitted a greenfield mining project in Manitoba
- ❑ Laid the groundwork for financing

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“Minago is a very good nickel project. Minago is also a very good frac sand project. Together, Minago is an exceptional, mining project.”