

# Victory Nickel receives Minago Nickel Project licence

**Victory Nickel Inc.** [NI-TSX] has been granted by the Manitoba government the Environment Act Licence for the construction, operation and subsequent decommissioning of the 100%-owned Minago Sulphide Nickel Project, central Manitoba. With this permit, mine development can begin this winter.

“We have completed the feasibility study, improved the economic results of that feasibility study, increased the resource in the Nose deposit, expanded the amount of nickel within the proposed pit and identified the potential for an additional resource in the North Limb, but being granted the licence is by far the most significant milestone achieved in the development of a nickel mine at Minago,” said René Galipeau, Vice-Chairman/CEO.

“The Minago Mine will result in considerable socio-economic benefits accruing to the province of Manitoba, creating employment and business opportunities, and contributing substantially to the economy,” said Dr. David Mchaina, VP, Environment and Sustainable Development.

With the permit in hand, the company can begin pre-stripping the open pit this winter, and is planning to tender contracts

for site engineering and power installation. Discussions regarding financing have been ongoing, and the pace of these discussions will pick up in the coming months. All of the optimization work that has been done since December 2009 will be incorporated into a revised feasibility study.

The Minago Mine will produce about 26 million pounds of nickel per year for about nine years from an open pit in the Nose deposit. The open pit material in the Nose deposit represents only a portion of the overall nickel resource at Minago. While mining the Nose deposit pit, the company will plan for the potential underground mining in the Nose deposit, as well as development of a second pit on the North Limb based on the recent announcement of an additional 21 million to 34 million tonne exploration tonnage mineralized inventory.

The project is 485 km north of Winnipeg, adjacent to a 230 Kv power line that runs directly beside paved provincial Highway #6 linking Winnipeg and Thompson. Minago will have the ability to produce the world’s highest grade nickel concentrate grading up to 35% nickel. Projected average annual ore production is

3.6 million tonnes.

Projected average annual nickel production in concentrate of approximately 11,000 tonnes. There will be 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 is \$6.95. Metal by-product credits of \$0.79/lb of nickel. Frac sand by-product value is \$4.04/lb of nickel. Cash costs per pound of nickel, net of credits, is \$2.12.

Victory Nickel has 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 north-western Québec, and by evaluating opportunities to expand its nickel asset base. Victory Nickel also owns shares in Prophecy Coal [PCY-TSXV], Prophecy Platinum [NKL-TSXV], Miocene Metals [MII-TSXV] and Wallbridge Mining [WM-TSX]. ■