

Activities Report for the Quarter Ended 31 March 2019

Highlights:

- **Appointment of new Directors and Company Secretary in January.**
- **The Company's securities reinstated to official quotation in February.**
- **\$200,000 in short term funding was raised in March.**
- **Announcement of a partially underwritten Rights Issue offered to eligible shareholders on the basis of one new share for every three shares held at the record date at a price of 0.3 cents per share to raise approximately \$1.2 million before costs.**

The Board of Victory Mines Limited (ASX:VIC) ("the Company" or "Victory") is pleased to provide the following summary of its activities during the March quarter.

Corporate

Following resolution of ASX concerns with respect to the Company's affairs, the Company's securities were reinstated to official quotation on 28 February 2019. As a consequence of the prolonged suspension in trading of the Company's securities, Victory was not able to proceed with the placement of up to 750,000,000 shares at an issue price of not less than 80% of the average market price over the 5 days before the date of issue which was approved at the annual general meeting held on 30 November 2018. The Company therefore had insufficient cash to implement its exploration plans for an inaugural drilling program on the Malamute and Husky projects in NSW as outlined in the notice of annual general meeting.

The original drilling program was designed for early confirmation of lateritic targets, with a staged progression to allow for expansion of the potential deposit and the potential discovery of a JORC (2012) compliant Mineral Resource.

Following the significant corporate transformation during the March Quarter, the focus of the Board has been to place the Company on a more sustainable growth footing. The key steps towards the goal of achieving a sustainable growth platform have included:

- The termination of EverBlu Capital's mandate (ASX: 18 January 2019);
- The appointment of a new Company Secretary (ASX: 25 January 2019);
- The resignation of all former Directors and the appointment of three new Non-Executive Directors (ASX: 31 January 2019);
- The Company's reinstatement to official quotation (ASX: 27 February 2019);
- The initiation of work towards Short Term Funding and a Rights Issue (ASX: 27 February 2019); and
- The successful completion of a \$200,000 short term funding capital raise (ASX: 15 March 2019).

Since the end of the Quarter, the Company has released a prospectus for the Rights Issue (ASX: 9 April 2019) which is expected to be completed during May. The successful completion of this Rights Issue will enable the implementation of the updated exploration program outlined below.

Victory Mines Limited ABN 39 151 900 855

Registered Office: Ground Floor, 16 Ord Street, West Perth WA 6005

Telephone +61 8 9482 0506

www.victorymines.com

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ASX ANNOUNCEMENT

23 April 2019

Exploration

Malamute and Husky – New South Wales

During the March Quarter, the Company reviewed previous exploration plans (ASX: 12 December 2018) and the results of the surface geochemical work previously conducted (ASX: 19 June 2018).

Since the end of the Quarter, the Company has announced plans for Victory's inaugural drill campaign at Husky and Malamute (ASX: 5 April 2019). The program expands upon the previous plans and includes 100 aircore holes for 5,000m of drilling. The program is expected to commence in the June Quarter, subject to sufficient capital being raised in the Rights Issue.

Yours faithfully

Dane Etheridge
Company Secretary

For more information: Contact Dane Etheridge on the details below:

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