

16 March 2018



## Cobalt Prospecting Acquisition To Be Finalised

### Highlights

- NSW ministerial consent for a change in effective control received for the NSW assets, Husky and Malamute
- VIC will immediately complete the acquisition of four highly prospective cobalt and scandium assets in NSW and WA
- High-level exploration strategy for the Husky and Malamute projects in NSW continues to be fast tracked, given growing global demand for cobalt and scandium
- Detailed desktop reviews on the Husky and Malamute projects in NSW to be released in coming days
- Results and core findings from field trips to the Husky and Malamute projects will follow soon afterwards – this will provide the geology team with ample input to commence formulating the inaugural drilling program

### MINISTERIAL CONSENT RECEIVED

**Victory Mines Limited (ASX: VIC) (“Victory” or “the Company”)** has received confirmation that NSW ministerial consent for a change in effective control for two highly prospective cobalt and scandium assets (Husky and Malamute) has been granted. As such, the Board will now complete the acquisition of Cobalt Prospecting Pty Ltd (CPPL) which owns the two NSW tenements plus two in WA (refer to ASX Release dated 14 November 2017).

### COMPLETION OF ACQUISITION

**Non-Executive Chairman Dr James Ellingford commented:** “It is pleasing to finally receive NSW ministerial consent for the change in effective control, so the acquisition of the four highly prospective cobalt and scandium assets in NSW and WA can complete.

“While it has taken longer than expected to clear this regulatory hurdle, the Board has been fast-tracking its high-level exploration strategy for the NSW assets, Husky and Malamute.

“Shortly, we will release desktop reviews on Husky and Malamute that will provide an overview on how they compare with peers, followed by results of the recent field trips. This transaction is timely for Victory, given Australian Mines’ ground-breaking offtake agreement with SK Innovation to supply cobalt and nickel sulphate.”

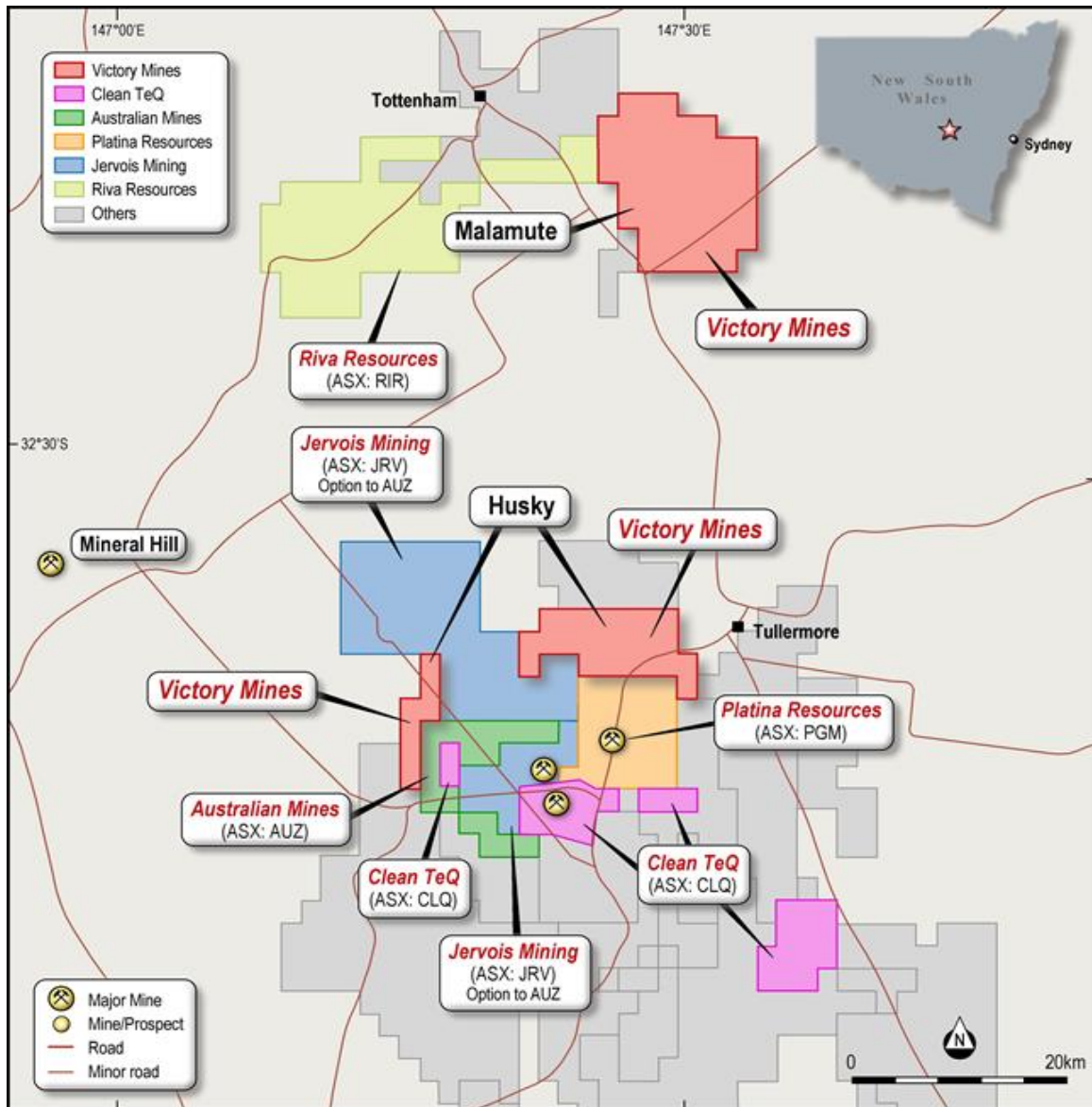
16 March 2018



**FAST TRACKING EXPLORATION PLAN FOR NSW ASSETS**

While waiting for regulatory approval, the Board has adopted a business as usual approach via expediting the high-level exploration program for the Husky and Malamute projects in NSW (Figure 1), given growing global demand for cobalt and scandium.

*FIGURE 1: HUSKY AND MALAMUTE PROJECTS RELATIVE TO PEERS*



Source: Victory Mines Limited

In particular, the Board notes AUZ’s offtake agreement with SK Innovation for its Sconi project in QLD<sup>1</sup>. This potentially is a harbinger to placing Australia on the map as an expanding global supply-chain hub for critical inputs (especially cobalt) for lithium-ion battery manufacturers. Increasingly, global-tech groups like Apple and Samsung want to ensure key raw material

16 March 2018



inputs are not from conflict zones and adopt ethical mining practices – this is a clear comparative advantage Australia commands over the Democratic Republic of Congo.

The Board has now received detailed desktop reviews on the Husky and Malamute projects the results of which will be released once fully assessed by the geology team. A key term of reference was to compare the prospective cobalt and scandium mineralisation with peers' deposits to see how the NSW assets stack up.

In addition, results from recent field trips to the Husky and Malamute projects should be completed soon. This information will be utilised to formulate the inaugural drilling campaigns for both projects, which the Board is keen to commence as soon as practical.

For further information, please contact:

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**COMPETENT PERSON'S STATEMENT:**

The information in this report that relates to Historical Exploration Results, Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for 11 years and is a Chartered Profession (Geology). Mr Ryan is employed by Xplore Resources Pty Ltd. Mr Ryan is the consulting Technical Manager for Cobalt Prospecting Pty Ltd. Mr Ryan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ryan consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

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<sup>i</sup> AUZ's ASX Release dated 19 February 2018