

# ASX ANNOUNCEMENT

Date: 4 October 2016



## Company Update

The Board of Victory Mines Limited (ASX: VIC) (**Victory or the Company**) provides the following update on the Company's operations.

### Background

As announced on 17 August 2016, Victory withdrew from the conditional binding heads of agreement ("Heads of Agreement") to acquire 100% of the issued capital in Milestone Sport Ltd (an entity incorporated in Israel) ("Milestone") ("Milestone Acquisition"). The withdrawal from the Milestone Acquisition and termination of the Heads of Agreement, as mutually agreed with Milestone and with no acknowledgement of fault by either party.

Additionally, and as part of the Milestone Acquisition, Victory advanced a loan in the amount of USD\$500,000 to Milestone as announced on 6 April 2016. Victory has agreed to allow Milestone until 30 April 2017 to repay this loan.

### Funding Update

On 23 September 2016, the Company announced it had entered into an agreement for a short term working capital loan of \$350,000 from an unrelated party for a term of up to two years, and to be repaid either in cash or, if the borrower agrees in writing, repaid in shares at a 20% discount to the 5-day VWAP.

The Company also expects to issue a notice of general meeting shortly, which will include a resolution seeking approval for a placement of up to \$2,500,000.

### Continued exploration of Bolivian mining projects

Prior to the Milestone Acquisition, Victory's primary operation was exploring and developing its Bolivian mining projects, which were acquired in December 2014 through the Company's acquisition of 100% of the issued capital of South American Tin Limited.

During the period April to August 2016, Victory's focus was on the Milestone Acquisition and the re-compliance requirements associated with that transaction.

Victory has now refocused its efforts on its existing exploration operations and, given that there is significant renewed interest in the resources sector, the Company now seeks to raise additional funding for its existing resource projects.

Victory maintains its interest in the Bolivian projects despite not having progressed them during the period of the proposed Milestone Acquisition.

### **Proposed timetable and costs for exploration of Bolivian projects**

The Company intends to allocate \$700,000 of the placement funds (referred to above) towards continued exploration and development of its Bolivian mining projects. The following table sets out the Company's current intentions on how funds will be spent and also includes indicative timing on the various activities to be undertaken.

<b>Activity</b>	<b>Proposed timetable</b>	<b>\$</b>
Appointment of Bolivia in-country manager	Candidate search expected to be completed by November 2016, with appointment expected to occur by February 2017	\$250,000
Appointment of Bolivia staff for local office	Candidate search expected to be completed by December 2016, with appointment(s) expected to occur by March 2017	\$100,000
Travel – Bolivian operations	January 2017 and ongoing	\$122,000
Office rent and equipment	Costs to be paid for February / March 2017	\$31,000
Sample testing	Expected to occur during March / April 2017	\$57,000
Feasibility study to transport minerals to port	Expected to occur during May / June 2017	\$25,000
Travel – Offtake agreement negotiations	The Company intends to locate suitable partners and complete negotiations by May / June 2017	\$47,000
Other miscellaneous costs	Ongoing costs associated with Bolivian operations	\$68,000
<b>Totals</b>		<b>\$700,000</b>

Victory will provide updates on its developments in due course.

### **Enquiries**

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Company Secretary