
VICTORY MINES LIMITED

ABN 39 151 900 855

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 11.30am AEDT

DATE: Friday 25 November 2016

PLACE: Level 29, Chifley Tower
2 Chifley Square,
SYDNEY NSW 2000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00 pm (AEDT) on Wednesday, 23 November 2016.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.

BUSINESS OF THE ANNUAL GENERAL MEETING

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016, together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF MR TERENCE CLEE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 11.1 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Terence Clee, a Director, retires by rotation and, being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ELECTION OF MR PETER PEEBLES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 11.4 of the Constitution and for all other purposes, Peter Peebles retires and, being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES AND OPTIONS TO DR JAMES ELLINGFORD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Shares and 500,000 Options to Dr James Ellingford (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Dr James Ellingford (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES AND OPTIONS TO MR PETER PEEBLES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 100,000 Shares and 100,000 Options to Mr Peter Peebles (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Peter Peebles (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,970,604 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 66,141,666 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person (and any associates of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 4 October 2016

By order of the Board

**ELIZABETH HUNT
COMPANY SECRETARY
VICTORY MINES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Unless otherwise noted, all share prices and share capital figures are on a post Consolidation basis, on the assumption that the 15:1 Consolidation is approved by Shareholders at the at the Company's General Meeting to be held on 15 November 2016. If the Consolidation is not approved, the numbers will change and the Company will make an appropriate announcement prior to the date of the Annual General Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2016 Annual Report to Shareholders unless specifically requested to do so. The Company's 2016 Annual Report is available on its website at www.victorymines.com.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year)

was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

2. RESOLUTION 2 – RE-ELECTION OF MR TERENCE CLEE

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 year, whichever is the longer.

Clause 11.1 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director) must retire from office;
- (b) a Director who retires by rotation under clause 11.1 of the Constitution is eligible for re-election; and

The Company currently has three Directors subject to rotation and accordingly one must retire.

Pursuant to Resolution 2, Terence Clee is retiring by rotation under Clause 11.1 of the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

Details regarding Terence Clee are set out in the 2016 Annual Report. The Board considers Mr Clee to be an independent director.

2.2 Qualifications and other material directorships

Mr Clee holds a Bachelor of Commerce (Accounting) and a Bachelor of Laws from the University of NSW and is admitted to the Supreme Court of NSW. Mr Clee started his career at KPMG, working in Corporate Audit and Tax. He then became a partner at Hemsley Lawyers working for large clients in the mining and technology space. Mr Clee also has experience in the start-up and small cap space, having advised technology start-ups.

Mr Clee was appointed as a Director on 12 August 2015 and also a director of ASX listed company Elysium Resources Limited.

The Directors, other than Terence Clee, recommend the re-election of Terence Clee.

3. RESOLUTION 3 – ELECTION OF MR PETER PEBBLES

Pursuant to Resolution 3, Peter Peebles is retiring under Clause 11.4 of the Constitution and being eligible for election, offers himself for election at the Meeting.

Details regarding Peter Peebles are set out in the 2016 Annual Report. The Board consider Mr Peebles to be an independent director.

3.1 Qualifications and other material directorships

Mr Peebles is a geologist, with 25 years' experience and has worked extensively within the Yilgarn, Pilbara and Kimberley regions of Western Australia as well as in the Philippines and New Zealand. He has been Exploration Manager, Project Manager and Mine Manager for both large and small public companies as well as being a consultant geologist. Mr Peebles is a Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

Mr Peebles was appointed as Non-Executive Director 22 August 2016 but previously held off of Executive Director until 18 May 2016. Mr Peebles is not a director of any other ASX listed companies.

The Directors, other than Peter Peebles, recommend the re-election of Peter Peebles.

4. RESOLUTIONS 4 & 5 – APPROVAL OF ISSUE OF SHARES AND OPTIONS TO RELATED PARTIES

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 250,000 Shares and 500,000 Options to James Ellingford (or his nominee) and 100,000 Shares and 100,000 Options to Peter Peebles (or his nominee) (**Related Party Securities**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Securities constitutes giving a financial benefit and Messrs Ellingford and Peebles are related parties of the Company by virtue of Directors (**Related Parties**).

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Securities to the Related Parties.

4.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in respect of the proposed issue of the Related Party Securities:

- (a) the related parties to whom a financial benefit will be given are James Ellingford and Peter Peebles, who are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Securities (being the nature of the financial benefit being provided) to be issued to the Related Parties is 250,000 Shares and 500,000 Options to James Ellingford (or his nominee) and 100,000 Shares and 100,000 Options to Peter Peebles (or his nominee);
- (c) the Related Party Securities will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Related Party Securities will be issued on one date;
- (d) the Related Party Securities will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and condition of the Options are set out in Schedule 1;
- (f) the value of the Options and the pricing methodology is set out in Schedule 2;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (h) the value of the Shares is determinant upon the trading price of the Company's Shares at any one point in time. The closing price recorded on ASX on 27 September 2016 was \$0.002. Accordingly, the deemed value of the Shares to be issued to the Related Parties (or their respective nominees), on a pre-consolidation basis, would be as follows:

Related Party	Deemed value of Shares
James Ellingford	\$500
Peter Peebles	\$100

- (i) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
James Ellingford	\$142,350 ¹	\$142,350
Peter Peebles	\$56,560 ²	\$30,112

Notes

1. Dr Ellingford's annual remuneration is \$142,350 (including superannuation) for Director's duties.
 2. Mr Peebles' annual remuneration is \$52,560 (including superannuation) for Director's duties. Mr Peebles is also entitled to a daily rate of \$1,500 for consulting services provided to the Company.
- (j) as at the date of this Notice the relevant interests of the Related Parties in securities of the Company are as follows. These securities will be subject to consolidation:

Related Party	Shares	Options (exercisable at \$1.05 on or before 31 December 2016)	Options (exercisable at \$0.03 on or before 30 November 2018)
James Ellingford	287,144	42,858	500,000
Peter Peebles	182,346	8,572	100,000

- (k) the issue of the Shares will increase the number of Shares on issue from 559,548,184 to 559,898,184 (on a pre-Consolidation basis), assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by of 0.063%;
- (l) if the Options granted to the Related Parties are exercised, a total of 600,000 Shares would be issued. This will increase the number of Shares on issue from 559,898,184 to 560,498,184 (on a pre-Consolidation basis), assuming that no other Options are exercised and no other Shares are issued other than as provided for pursuant to this Notice) with the effect that the shareholding of existing Shareholders would be diluted by 0.107%.
- (m) The market price for Shares during the term of Options would normally determine whether or not the Options are exercised. If, at any time, any of the Options are exercised and the Shares are trading on ASX at a price that

is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below.

	Price
Highest	1.9 cents on 28 October 2015 and 12 November 2015
Lowest	0.2 cents on numerous dates, most recently on 30 September 2016
Last	0.2 cents on 30 September 2016

- (o) the Board has considered Principle 8 of The Corporate Governance Principles and Recommendations with 2013 Amendments (3rd Edition) as published by The ASX Corporate Governance Council when agreeing, subject to Shareholder approval, the grant of the Related Party Securities to the Related Parties. The Board considers the issue of Related Party Securities to James Ellingford and Peter Peebles reasonable in the circumstances and does not conflict with their obligation to bring independent judgement to matters before the Board;
- (p) the primary purpose of the issue of the Related Party Securities to James Ellingford and Peter Peebles is to preserve cash reserves while providing an incentive for future performance in their roles as Directors;
- (q) James Ellingford declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Securities in the Company should Resolution 4 be passed. The directors, other than James Ellingford, recommend that Shareholders vote in favour of Resolution 4 for the following reasons:
- (i) the issue of the Related Party Securities to the Related Party will align the interests of the Related Parties with those of Shareholders;
 - (ii) the issue of the Related Party Securities is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Securities upon the terms proposed;
- (r) Peter Peebles declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Securities in the Company should Resolution 5 be passed. The directors, other than Peter Peebles, recommend that Shareholders vote in favour of Resolution 5 for the following reasons:
- (i) the issue of the Related Party Securities to the Related Party will align the interests of the Related Parties with those of Shareholders;

- (ii) the issue of the Related Party Securities is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Securities upon the terms proposed;
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Shares and Options to be granted as well as the exercise price and expiry date of those Options; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4 and 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Securities to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

5.1 General

On 6 May 2016, the Company issued 2,970,604 (pre-Consolidation) Shares to Mr John Kelly in consideration for the repayment of a Convertible Note held by him in the Company. The fair value of the Convertible Note is \$47,529.67 as per audited half year 2015 financial accounts.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

5.2 ASX Listing Rule 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 2,970,604 (pre-Consolidation) Shares were issued to John Kelly;
- (b) The Shares were issued to Mr Kelly in consideration for the repayment of a Convertible Note held by him in the Company and as such they were issued for nil consideration;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Mr Kelly's superannuation fund which is not a related party of the Company; and
- (e) no funds were raised from this issue.

6. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – OPTIONS

6.1 General

On 2 March 2016, the Company issued 66,141,666 (pre-Consolidation) attaching Options to subscribers to the placement completed in December 2015 and February 2016.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

6.2 ASX Listing Rule 7.1 and 7.4

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 5.2 above.

6.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 66,141,666 (pre-Consolidation) Options were issued to placement subscribers;
- (b) The Options were issued to placement subscribers as a 1-for-2 attaching option for nil consideration;
- (c) the terms and condition of the Options are set out in Schedule 3;
- (d) the Options were issued to placement subscribers, none of which were a related party of the Company; and
- (e) no funds were raised from this issue.

7. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$1,119,097 (based on the number of Shares on issue and the closing price of Shares on the ASX on 27 September 2016).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: VIC).

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

If Shareholders approve this Resolution, the exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 .

7.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 7.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the number of Equity Securities on issue as at 4 October 2016 and the issue price of \$0.0225 (on a post-Consolidated basis) which is the lowest price at which the Placement can be conducted at.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.01125 50% decrease in issue price	\$0.0225 issue price	\$0.045 100% increase in issue price
Current Variable "A" 193,903,212 shares	10% voting dilution	19,390,321 shares	19,390,321 shares	19,390,321 shares
	Funds raised	\$218,152	\$436,282	\$872,564
50% Increase in current Variable "A" 290,854,818 shares	10% voting dilution	29,085,481 shares	29,085,481 shares	29,085,481 shares
	Funds raised	\$327,211	\$654,423	\$1,308,846
100% Increase in current Variable "A" 387,806,424 shares	10% voting dilution	38,780,642 shares	38,780,642 shares	38,780,642 shares
	Funds raised	\$436,282	\$872,564	\$1,745,128

The table has been prepared on the following assumptions:

1. The Company's securities are consolidated on a 15:1 basis, approval for which is contained in the Notice of Meeting dated 15 November 2016.
2. There are currently 193,903,212 Shares on issue comprising (on a post Consolidation basis and assuming the maximum number of Shares are issued under the Placement):
 - (a) 37,303,212 existing Shares as at the date of this Notice of Meeting;
 - (b) 350,000 Shares which will be issued if Resolutions 4 and 5 are passed at this Meeting; and
 - (c) 156,250,000 Shares which is the maximum amount to be issued pursuant to the Placement.
2. The issue price set out above is \$0.0225 (on a post-Consolidated basis) which is the lowest price at which the Placement can be conducted at.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and/or general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity

Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2015 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 25 November 2015 the Company otherwise issued a total of 175,905,475 Shares and 66,841,666 Options which represents approximately 62.8% of the total diluted number of Equity Securities on issue in the Company on 25 November 2015, which was 386,747,011.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in the following table.

Issue date	Equity Securities	Persons issued to or basis of issue	Price, discount, amount raised and use of funds or value of non-cash consideration
9 December 2015	63,666,665 fully paid ordinary shares	Placement to private investors	Price \$0.015 Discount: no less than 20% Amount raised: \$405,000 cash Use of funds: working capital Value of non-cash consideration: \$550,000 (to settle creditors)
18 December 2015	38,616,666 fully paid ordinary shares	Placement to private investors	Price \$0.015 Discount: not less than 20% Amount raised: \$523,000 cash

			Use of funds: working capital Value of non-cash consideration: \$56,250 (to settle creditors)
18 December 2015	450,000 fully paid ordinary shares and 700,000 options exercisable at \$0.03 on or before 30 November 2018	Directors pursuant to shareholder approval 25 November 2015	Shares issued at a deemed issue price of \$0.01 each and options for nil consideration as approved by shareholders at the 2015 annual general meeting.
23 February 2016	70,201,540 fully paid ordinary shares	Placement to private investors	Price \$0.01 Discount: not less than 20% Amount raised: \$300,000 cash Use of funds: working capital and Milestone Acquisition costs Value of non-cash consideration: \$402,015 (to settle creditors)
2 March 2016	66,141,666 options exercisable at \$0.02 on or before 30 June 2017	Attaching to placement shares issued to private investors on 9 December 2015, 18 December 2015 and 23 February 2016.	On the terms set out in Resolution 7 of this Notice..
6 May 2016	2,970,604 fully paid ordinary shares	Issued on conversion of convertible note.	On the terms set out in Resolution 6 of this Notice.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

7.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

7.4 Directors recommendations

None of the Directors have material personal interest in the subject matter of Resolution 8. The Board recommends Shareholders vote in favour of Resolution 10 as it will preserve the Company's cash and provides the Company with the flexibility to issue further Securities representing up to 10%, in addition to using the Company's

15% placement capacity under Listing Rule 7.1, of the Company's share capital during the next 12 months without shareholder approval.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the Proxy Form by post to Victory Mines Limited, GPO Box 2517, Perth WA 6831;
- (b) send the Proxy Form by e-mail to info@victorymines.com; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9463 6103,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

GLOSSARY

2016 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2016, which can be downloaded from the Company's website at www.victorymines.com.

AEDT means Australian Eastern Daylight Time, as observed in Sydney, New South Wales.

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company convened by this Notice of Meeting.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Victory Mines** means Victory Mines Limited (ABN 39 151 900 855).

Consolidation means the proposed 15:1 consolidation of the Company's securities for which the Company is seeking approval at the Company's General Meeting to be held on 15 November 2016.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority

and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this Notice of the Annual General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the issue of that number of Shares which, when multiplied by the issued price, will raise up to \$2,500,000, approval for which is being sought at the Company's General Meeting to be held on 15 November 2016.

Proxy Form means the proxy form accompanying the Notice.

Related Party Securities has the meaning given in section 4.1 of the Explanatory Statement.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2016 Annual Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF \$0.05, 25 NOVEMBER 2019 OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph Schedule 1(d), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 25 November 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the

Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(b) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(c) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(d) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(e) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(f) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(g) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(h) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – VALUATION OF OPTIONS ISSUED TO RELATED PARTIES

The Options to be issued to the Related Parties pursuant to Resolution 4 and 5 have been valued by internal management.

Using the Black & Scholes model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	4 October 2016
Market price of Shares	3.0 cents (post consolidation)
Exercise price	6.0 cents
Expiry date (length of time from issue)	25 November 2016
Risk free interest rate	1.5%
Volatility (discount)	122%
Indicative value per Related Party Option	1.82 cents
Total Value of Related Party Options	\$10,920
- James Ellingford	\$9,100
- Peter Peebles	\$1,820

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 3 – TERMS AND CONDITIONS OF \$0.02, 30 JUNE 2017 OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (d), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 30 June 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the

Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(a)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(b) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(c) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(d) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(e) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(f) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(g) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(h) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

APPOINTMENT OF PROXY FORM

VICTORY MINES LIMITED
ABN 39 151 900 855

ANNUAL GENERAL MEETING

I /We

of:

being a Shareholder of Victory Mines Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name:

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the Annual General Meeting to be held at Level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 at 11:30am AEDT on Friday, 25 November 2016 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Terence Clee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Peter Peebles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for Issue of Shares and Options to Dr James Ellingford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Issue of Shares and Options to Mr Peter Peebles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact telephone
(daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES NO

VICTORY MINES LIMITED
ABN 39 151 900 855
Instructions for Completing "Appointment of Proxy" Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) send the Proxy Form by post to Victory Mines Limited, GPO Box 2517, PERTH WA 6831;
 - (b) send the Proxy Form by e-mail to **info@victorymines.com**; or
 - (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9463 6103,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.