

# Victory Mines Limited

ACN 151 900 855

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## Prospectus

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### Offer

For the conditional offer of 1,000 Shares at an issue price of \$0.01 each to raise \$10 (**Offer**).

### Cleansing

This Prospectus has also been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date. Please refer to **Section 4.3** for further details.

### Underwriting

The Offer is not underwritten.

### IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Form regarding acceptance of the Offer. If you do not understand this document you should consult your stockbroker, accountant or other professional adviser. The Securities offered by this Prospectus should be considered as highly speculative.

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# **1. IMPORTANT INFORMATION**

## **1.1 General**

The Prospectus is dated 29 November 2016 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX. No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

## **1.2 Conditional Offer**

The Offer is conditional on the Company achieving the minimum subscription as set out in **Section 4.2**.

## **1.3 Consolidation of Capital**

On 23 November 2016, the Company completed a consolidation of capital as approved by Shareholders at the general meeting held on 15 November 2016.

The issued capital of the Company be consolidated on the basis that every 15 Shares be consolidated into one Share; and every 15 Options be consolidated into one Option.

Accordingly, all references to capital or share prices in this Prospectus have been adjusted to a post-consolidation basis.

## **1.4 Electronic Prospectus**

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at [www.victorymines.com](http://www.victorymines.com). Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **1.5 Application for Securities**

Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of the Offer. By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for Securities in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the relevant Offer detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

## **1.6 Risk factors**

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the specific risk factors set out below and further risk factors set out in **Section 6** that could affect the performance of the Company (but are not exhaustive of all such potential risks). Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

### **1.6.1 Risks specific to the Company include, without limitation:**

#### **(a) Future capital needs and Material Uncertainty Regarding Going Concern**

The Auditor's Report contained in the annual report for the year ended 30 June 2016 includes an Emphasis of Matter in relation to going concern.

As at 30 June 2016 the Consolidated Entity had incurred a net loss of 3,143,525 and as at that date had a working capital deficit of \$42,275.

These conditions, along with other matters as set forth in note 1(b) to the 2016 annual report, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business.

The Company notes since the 30 June 2016 balance date it has received shareholder approval for a placement to raise up to \$2,500,000.

#### **(b) Loan to Milestone Sport Ltd**

On 6 April 2016, the Company announced it had entered into a 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, was subsequently announced on 17 August 2016.

As part of the Milestone Acquisition, the Company advanced an unsecured 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 on the basis that the loan is repaid in full no later than 30 April 2017 in either cash or equity in Milestone.

The Company cannot guarantee the repayment of this loan.

#### **(c) Exploration**

The mineral projects in which the Company has an interest are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There is no assurance that any exploration on current or future interests will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

**(d) Operating Risks**

The potential future operations of the Company may be affected by various factors, including failure to locate or identify sufficient ore reserves, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reserve problems which may affect production performance, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

There can be no assurance that Gondwanaland's intended goals will lead to a successful mining and production operation. Further, no assurance can be given that Gondwanaland will be able to initiate or sustain minerals production, or that its operations will achieve commercial viability.

As previously disclosed by the Company, Gondwanaland aims to commence producing tin and silver/zinc concentrates at its tin projects (Projects) without having delineated a JORC compliant resource. Gondwanaland believes that it has an adequate understanding of the mineralisation from exploration conducted to date and intends to undertake further drilling and sampling to mitigate risk prior to commencing production, but there is a risk that this current and future understanding will be incorrect. When the Company undertakes additional exploration at the Projects, if it is unable to define a JORC compliant resource, it may have a negative impact on operations because the Company will be unable to assess the life of mine or adequately optimise the mine plan for the Projects.

The current and future operations of the Company may also be affected by various factors, including:

- (i) geological and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and heavy rain activity;
- (iii) failure to achieve required or operational resource quantities upon commencing mining activities as no JORC compliant resource has been previously identified,
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) equipment failure, fires, spills or industrial and environmental accidents;
- (vii) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (viii) risk that exploration, appraisal, development, plant or operating costs prove to be greater than expected or that the proposed timing of exploration, development or production may not be achieved;
- (ix) failure to achieve predicted grades in exploration and mining;
- (x) the supply and cost of skilled and unskilled labour;

- (xi) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment, and:
- (xii) prevention and restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Projects.

**(e) Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including, without limitation, tenement and concession requirements and risks, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires environmental licenses from Bolivian regulatory authorities to authorise the Company's operations. These licenses relate to development, production and rehabilitation activities (although no such activities are currently in progress).

Obtaining necessary licenses can be a time consuming process and there is a risk that the Company will not obtain these licenses on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary licenses and complying with these licenses and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project. Any failure to comply with applicable laws and regulations or licenses, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the projects in which the Company currently holds an interest.

**(f) Market for Shares**

There can be no guarantee that an active market in the Company's Shares or listed Options will exist in future.

**(g) No Profit to Date**

The Company has incurred losses and it is therefore not possible to evaluate the future prospects based on past performance.

**1.6.2 Risks relating to the Gondwanaland Assets**

On 11 December 2014 the Company completed the acquisition of 100% of the issued capital of South American Tin Limited. In turn South American Tin Limited has an 80% interest in a Bolivian company, Compañía Minera Gondwanaland S.A. ("Gondwanaland"). Based on the information available, a list of the identified major risk factors in respect of the assets of Gondwanaland ("New Assets") is set out below. The list is not exhaustive.

**(a) No title – contractual rights only**

Gondwanaland has contractual rights in relation to several mining concessions located in Bolivia however it does not hold legal title to those concessions. The Bolivian state mining company (COMIBOL) is the underlying owner of all the mining rights in which Gondwanaland has an interest. COMIBOL has leased the mining rights to these concessions to various mining cooperatives (Mining Cooperatives). In turn, Gondwanaland has Preliminary Contracts with the Mining Cooperatives. Gondwanaland cannot register its interest in any concession (e.g. a caveat).

If a party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

In order for Gondwanaland to be able to achieve its objectives, Gondwanaland is reliant on the registered holder of the concessions and the Mining Cooperatives it has contracted with to comply with their obligations as title holder and leaseholder respectively with respect to maintaining the concessions in full force and effect, free from any liability to forfeiture or non-renewal.

Where the registered holder of the concessions or the Mining Cooperatives fails to comply with conditions of the concessions which results in loss of title to the concessions Gondwanaland would lose its interest in the mining concessions as well. The Company has no current reason to believe that the registered holder of the concessions will not meet and satisfy its obligations.

**(b) Sovereign**

As the New Assets are located in a jurisdiction different to the Existing Assets, they are subject to the risks associated in operating in that different jurisdiction, in this instance Bolivia. These risks include economic, social or political instability or change, changes of law affecting foreign ownership, government participation, potential nationalisation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with mineral exploration and production in Bolivia. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects is outside the control of the Company. Such changes may affect foreign ownership, exploration, development or activities of companies involved in mining exploration and production and in turn may affect the viability and profitability of the Company.

The legal and governmental systems in Bolivia are based on Spanish law and systems. These are very different to the English common law and governmental systems that are applicable in Australia.

**(c) Current Status of Bolivian Mining Law**

In mid-2014 the Bolivian Government passed a new Mining Code. The new legislation replaces a general law passed in 1997 and brings public and private companies operating in Bolivia in line with the 2009 mining constitution.

The new legislation enables the Mining Cooperatives to enter into contracts with private companies and the Bolivian state mining company COMIBOL.

Under the new legislation, existing contracts between the Mining Cooperatives and COMIBOL will be converted into 'Administrative Mining Contracts' and adjusted to fall in line with the new law. It is expected that these changes will have no material effect on the rights held by either party or the nature of the contracts.

Under the new legislation any future Final Agreements between Gondwanaland, the Mining Cooperatives and COMIBOL will need to be approved by the Bolivian Government. The new legislation provides that the approval process is to take place within a ninety (90) day period from the time the application is lodged. In the future a

failure to have any Final Agreements approved by the Bolivian Government would effectively eliminate Gondwanaland's ability to explore, develop and mine the relevant mining concessions. This may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

The practical effect and operation of the new mining legislation remains relatively unknown at this time, despite the new Code being passed over 12 months ago. The Company is continuing to closely monitor the development and application of the new legislation in order to ensure the validity of any future Final Agreements.

**(d) Reliance on Key Foreign Personnel**

The Company is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management and consulting personnel in Bolivia. A number of Bolivian cultural and social issues could affect the relationship between the Company and key personnel in Bolivia. However, there can be no assurance the Company will be able to retain these key foreign personnel. The loss of key foreign personnel or the inability to recruit and retain high-calibre staff could have a material adverse effect on the Company. The addition of new employees and/or consultants and the departure of existing employees and/or consultants, particularly in key positions, can be disruptive and may have a material adverse effect on the Company.

**(e) Dependence on Foreign Third Parties**

The Company will need to rely on numerous key suppliers and commercial parties in Bolivia for the supply of services to the Company. Social and cultural issues will also be important in relationships with suppliers and commercial parties in Bolivia. Any loss of or change in the Company's relationship with these key parties, or failure by those parties to perform, may have an adverse effect on the Company's operations, research and development and commercialisation programme. If that occurred, there is no assurance that they could be replaced either at all or on commercial terms acceptable to the Company.

**(f) Mineral Resource Estimation Risk**

There is no mandatory standard for mineral resource and ore reserve estimation and reporting in Bolivia as there is with the JORC Code in Australia. The Company will need to ensure that the technical standards applicable in Australia are used in Bolivia.

**(g) Environmental Risk**

Gondwanaland's assets are subject to Bolivian environmental laws. These environmental laws are different to those generally applicable in Australia and are generally of a lower compliance and licensing level. Exploration and mining projects are expected to see a variety of environmental impacts. The Company intends to carry out its operations in compliance with all applicable environmental laws, in a responsible manner and to the highest standard possible. In the event that the Company does not operate in compliance with all applicable laws there is a risk that projects could be forfeited.

**(h) Additional Funding Requirements**

Gondwanaland's business plans envisage the Company becoming a production company. This will require capital above what is being considered in this Prospectus. When the Company requires access to further funding at any stage in the future, the Company may be adversely affected in a material way if, for any reason, access to capital or debt is not available at all or on commercially acceptable terms. There can be no assurance that additional funds will be available.

If additional funds should be raised by issuing equity, this might result in dilution to the existing Shareholders at that time. The pricing of future share issues will also depend upon the results of the Company's activities, market factors, investor demand for shares and the need for capital by either debt or equity capital raisings.

### **1.6.3 Risks relating to the Company's operations and assets**

#### **(a) Joint Venture Risk**

The Company is subject to the risk that changes in the status of any of the Company's joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

#### **(b) Exploration and Development Risks**

The business of tin exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from Gondwanaland's proposed operations undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and, as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

#### **(c) Resource and Reserve Estimates**

The Company presently has no JORC Code compliant resources on the projects in which it has an interest. In the event a resource is delineated, this would be an estimate

only. Future resource estimates will be expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the project's operations.

**(d) Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to tin or other base metals production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Bolivian and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar, the Peso Boliviano and the Australian Dollar as determined in international markets.

**(e) Nature of Mining Cooperatives**

Mining Cooperatives are entities recognised by the Labour Ministry of Bolivia, consisting of either employees belonging to an employer company, or a group of workers self employed and committed to an economic activity, based on principles of mutual cooperation and sharing a common goal. Despite their importance to both the Bolivian mining sector and the Bolivian economy as a whole, the Mining Cooperatives are not modern formal institutions and as a result may fail to meet standards set by local regulations on matters such as labour, social security, environment and industrial safety.

**(f) Contractual Rights of the Mining Cooperatives**

The Mining Cooperatives engaged in Preliminary Contracts with Gondwanaland hold mining rights through separate contracts granted by COMIBOL. As stated above, the status of these separate contracts varies considerably, with the mining rights of one Mining Cooperative having already expired and a number of others holding rights that are set to expire in the coming years.

The Preliminary Contracts between Gondwanaland and the Mining Cooperatives provide that the Mining Cooperatives must renew their existing contracts with COMIBOL within a period of 6 to 12 months. The terms of the Preliminary Contracts may be renegotiated to extend this period if required. The renewal of the contracts between COMIBOL and the Mining Cooperatives will ensure the Mining Cooperative's interest in the relevant concession continues. Contracts will exist for a minimum of 20 years, with the ability to request an extension to the term by COMIBOL. Renewal of existing contracts with COMIBOL ensures Mining Cooperative have secured interests in the relevant concessions before entering into Service Contracts with Gondwanaland. Any renewals by the Mining Cooperatives will now be done under the 2014 Mining Code.

Although the majority of the Mining Cooperatives have a number of years left on their existing contracts, currently none of the Mining Cooperative engaged in Preliminary Contract with Gondwanaland have renewed contracts with COMIBOL. As a result Gondwanaland does not currently hold any firm Service Contracts or Final Agreements

with any of the Mining Cooperatives. A failure by the Mining Cooperatives to renew their contracts with COMIBOL, could restrict Gondwanaland ability to enter into Service Contracts and Final Agreement in the future, eliminating their ability to explore, develop and mine the relevant mining concessions. This may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

**(g) Concentrates Trading Enterprise**

Gondwanaland is planning to commence a minerals trading operation with its Mining Cooperative partners, and possibly other Mining Cooperatives, in its project areas. This business will be subject to a number of risks, including:

- (i) The Mining Cooperatives might not sell any concentrates to Gondwanaland ;
- (ii) The quality of any concentrates purchased might be very poor;
- (iii) The price of tin (and other possible metal concentrates) might drop to the point that this business is not viable;
- (iv) Gondwanaland might not be able to sell the concentrates that it buys;
- (v) Gondwanaland might not be able to export the concentrates out of Bolivia;
- (vi) Theft of concentrates might occur. While it is planned that the concentrates will be insured for their full value, the time from theft to the successful conclusion of any insurance claim process might financially strain the Company;

**(h) Toll Treatment Plants**

Gondwanaland is planning to commence the construction and operation of a series of toll treatment plants. These plants will be subject to a number of risks, including:

- (i) the initial plant's flowsheet might not be appropriate for the ore it will treat;
- (ii) the toll treatment plant equipment is to be manufactured in Bolivia and might not function as designed;
- (iii) the people that Gondwanaland proposes to employ to run the toll treatment plants have little or no experience at running such plants. These proposed employees may operate the toll treatment plants poorly;
- (iv) Gondwanaland needs an Environmental License from the Bolivian Government. Such a license might not be given by the Government;
- (v) the source of ore for the toll treatment plants might be insufficient for the plant's proposed capacity;
- (vi) there may be community opposition to the proposed toll treatment plants;
- (vii) the proposed commercial terms for the toll treatment plants might be uneconomic;
- (viii) estimated operating and capital costs for the toll treatment plants might be too high or too low respectively;
- (ix) water supply for the proposed toll treatment plants might be insufficient;
- (x) although located in a low risk earthquake zone, there is a risk an earthquake could damage the toll treatment plants and mine;

- (xi) supplies of chemical reagents for the toll treatment plants might not be reliable in Bolivia; and
- (xii) the area where the proposed treatment plants are to be located has a severe thunderstorm season. Such storms might cut the electricity supply to the plants.

**(i) Sale of Product**

Even if Gondwanaland is able to successfully mine and produce tin from the Projects, its ability to generate revenue will depend on whether it can sell the product (through single contracts or off-take agreements).

There is no guarantee that Gondwanaland will be able to do this.

**(j) Altitude, Climate and Health Risks**

The Projects are located in the Eastern Cordillera of the Bolivian Andes. As such, altitude and climate pose risks. The altitude of the Projects ranges from approximately 3,800 to 4,700 metres above sea level. Such altitudes pose health risks to foreign staff that are not used to living and working in these conditions. Foreigners can suffer from altitude sickness. In rare cases altitude sickness can be fatal.

The annual severe lightning season mentioned above often results in fatal lightning strikes. Fatal lightning strikes could hit Company personnel or the proposed toll treatment plants.

Food hygiene in Bolivia is of a low standard. As such, foreign company staff are at risk of food poisoning. Hospital facilities in rural Bolivia are of a low standard. As such, if key foreign company staff fall ill at the Projects, appropriate medical facilities may not be available in the field and these personnel may need to be evacuated to the nearby city of La Paz or to appropriate medical care outside Bolivia.

**(k) Bolivian Indigenous Cultural Practices**

The Projects are located in an area of Bolivia with a strong local indigenous culture that is very different to anything in Australia. Indigenous customs and practices can sometimes lead to excess consumption of alcohol and then violence. Light skinned foreign company staff may become the target of this violence.

## **1.7 Publicly available information**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in Securities or the Company.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

## **1.8 Offer restrictions**

The offer of Securities made pursuant to this Prospectus are not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions

outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate applicable laws.

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## **1.9 Representations**

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer.

## **1.10 Forward-looking statements**

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## **1.11 Interpretation**

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 9**.

All references in this Prospectus to **\$, AUD or dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

## **2. CORPORATE DIRECTORY**

### **Directors**

Dr James Ellingford (Chairman)  
Mr Peter Peebles (Executive Director)  
Mr Terence Clee (Non-Executive Director)

### **Company Secretary**

Elizabeth Hunt

### **Registered Office**

Level 11, London House  
216 St Georges Terrace  
Perth WA 6000  
[info@victorymines.com](mailto:info@victorymines.com)

### **Share Registry \***

Automic Registry Services  
Level 1  
7 Ventnor Avenue  
WEST PERTH WA 6005

### **Auditor \***

Bentleys  
Level 3, 216 St Georges Terrace  
Perth WA 6000

### **Legal Advisor \***

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### **ASX Code**

Codes: VIC

### **Website**

[www.victorymines.com](http://www.victorymines.com)

*\* Included for information purposes only*

### 3. TIMETABLE

The timetable for the Offer is as follows:

<b>Event</b>	<b>Date</b>
Lodgement of this Prospectus with ASIC	29 November 2016
Opening Date	30 November 2016
Closing Date	31 January 2017
Expected Date of Official Quotation of the Shares (subject to ASX approval of that Official Quotation)	3 February 2017

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases.

## 4. DETAILS OF THE OFFER

### 4.1 Offer

The Company is making an offer of 1,000 Shares to investors identified by the Directors at an issue price of \$0.01 each to raise \$10 before expenses of the Offer. The Offer has a minimum subscription of 1,000 Shares to raise \$10. The Offer will only be made to investors identified by the Directors, however no Shares will be issued under the Offer to Directors, related parties of the Company or any other person if the issue would breach the takeover prohibition in section 606 of the Corporations Act.

The Company reserves the right to reject any Application Form or to allocate any Applicant fewer Shares than the number for which the Applicant has applied.

### 4.2 Condition of the Offer

The Offer is conditional upon the Company achieving the minimum level of subscription for the Offer, being 1,000 Shares to raise \$10.

Satisfaction of the above condition is a requirement for the issue of Shares under the Offer. In the event that this condition is not met within 4 months of the date of this Prospectus (or such period as varied by the ASIC), all Application Monies will be returned to Applicants without interest as soon as practicable thereafter and no Shares will be issued under the Offer.

### 4.3 Purpose of the Offer

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and accordingly, the purpose of this Prospectus is not to raise capital. The Directors intend to apply the proceeds from the Offer to expenses of the Offer.

The Offer is for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date, including the issue of 198,040 Shares on 6 May 2016 and recent placement of 4,366,667 Shares at an issue price of \$0.027 (2.7 cents) per share on 11 November 2016, to investors to whom the Company is not required to issue a disclosure document under the Corporations Act (**Placement**).

The Shares issued pursuant to the Placement rank equally with existing Shares on issue.

### 4.4 Cleansing

Relevantly, section 708A(11) of the Corporations Act provides that an offer of securities for sale does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

#### 4.5 Rights and liabilities attaching to new Securities

The Shares to be issued pursuant to the Offer are of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in **Section 7.2**.

#### 4.6 Minimum subscription

The Offer is conditional on the Company achieving the minimum level of subscription of 1,000 new Shares to raise \$10. No Shares under the Offer will be issued until the minimum subscription has been reached. If the minimum subscription has not been achieved within 4 months from the date of this Prospectus (or such period as varied by the ASIC), all Application Monies will be refunded to Applicants without interest in accordance with the Corporations Act.

#### 4.7 Oversubscriptions

No oversubscriptions for the Offer will be accepted by the Company.

#### 4.8 Underwriting

The Offer is not underwritten.

#### 4.9 Commissions on Offer applications

The Company reserves the right to pay a fee of up to 5% (exclusive of GST) of amounts subscribed to any licensed securities dealer or Australian Financial Services Licensee in respect of valid Application Forms lodged and accepted by the Company with the stamp of the licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services Licensee.

#### 4.10 Applications

Applications for Securities under the Offer can only be made on the relevant original Application Form attached to or accompanying this Prospectus. Under the Offer, Applicants may apply for a minimum parcel of 100 Shares, representing a minimum investment of \$1.00 using an Application Form. Applicants seeking additional Shares must apply thereafter for Shares in multiples of 100 (equivalent to \$1.00).

All applications must be completed in accordance with the detailed instructions on the Application Form and be accompanied by a cheque or bank cheque drawn and payable on an Australian bank (if applicable). The cheque must be made payable to "Victory Mines Limited" and should be crossed "Not Negotiable". No brokerage or stamp duty is payable.

Completed Application Forms and accompanying cheques (if applicable) must be received by the Company before 5.00pm (WST) on the Closing Date by either being delivered to, or mailed to, the following address:

<b>Delivered to:</b> Victory Mines Limited c/- Mining Corporate Pty Ltd Level 11, 216 St Georges Terrace Perth WA 6000	<b>Posted to:</b> Victory Mines Limited c/- Mining Corporate Pty Ltd GPO Box 2517 Perth WA 6831
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All Application Monies received with duly completed Application Forms will be paid into the Company account in accordance with **Section 4.12**.

An original, completed and lodged Application Form together with a cheque for the Application Monies (if applicable) constitutes a binding and irrevocable offer to subscribe for the number

of Securities specified in each Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend or complete the Application Form is final, however, for Application Forms an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

Applicants are encouraged to lodge their Application Forms as soon as possible, as the Offer may close early without notice.

#### **4.11 Allocation and issue of Securities**

Subject to satisfaction of the relevant condition specified in **Section 4.2**, the issue of Securities will occur as soon as practicable after the Closing Date. Holding statements will then be dispatched as required by ASX. It is the responsibility of Applicants to determine whether they have been allocated any Shares pursuant to the Offer prior to trading in those Shares. Applicants who sell the Securities before they receive their holding statement will do so at their own risk.

The Directors reserve the right to reject any Application Form or to issue a lesser number of Shares than that applied for under the Offer. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

#### **4.12 Application Monies**

The Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of Applicants until the Shares are issued. If the condition to the Offer set out in **Section 4.2** is not achieved within a period of 4 months from the date of this Prospectus (or such period as varied by the ASIC), the Application Monies will be refunded to Applicants in full as soon as practicable without interest, and no Shares will be issued under the Offer. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

#### **4.13 ASX quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus.

If approval for Official Quotation of the Shares to be issued pursuant to this Prospectus is not granted within 3 months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies without interest as soon as practicable.

There can be no guarantee of whether ASX will grant Official Quotation of the Shares, but if ASX does grant such Official Quotation, that is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

#### **4.14 Overseas investors**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them

of Securities offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

#### **4.15 CHES and issuer sponsorship**

The Company operates an electronic CHES sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of Securities.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHES (for security holders who elect to hold Securities on the CHES sub-register) or by the Company's Share Registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHES sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

#### **4.16 Privacy disclosure**

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained, corrected and updated by that Shareholder through contacting the Company or the Share Registry.

#### **4.17 Taxation**

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

#### **4.18 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company on +61 8 9481 0389.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

#### Offer

This Offer is for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date, including the Shares issued pursuant to the Placement.

### 5.2 Effect of the Offer

The effect of the Offer will, assuming that no Options are exercised and that 1,000 Shares are issued pursuant to the Offer, be that:

- (a) cash reserves (before costs) will increase by approximately \$10; and
- (b) the number of Shares on issue will increase from 41,670,210 to 41,671,210.

The Directors intend to apply the proceeds from the Offer to expenses of the Offer.

### 5.3 Capital structure

The capital structure of the Company following completion of the Offer is set out below:

Shares	Quantity
Existing Shares on issue at the date of this Prospectus	41,670,210
Shares to be issued under the Offer	1,000
<b>Total Shares on issue at completion of the Offer</b>	<b>41,671,210</b>

Options	Quantity
Existing Options on issue at the date of this Prospectus <sup>1</sup>	4,663,094
Options to be issued under the Offer	-
<b>Total Options on issue at completion of the Offer (assuming no Options are exercised)</b>	<b>4,663,094</b>

#### Notes:

1. 199,349 unquoted Options exercisable at \$15.75 each on or before 31 December 2016; 4,409,457 unquoted Options exercisable at \$0.30 each on or before 30 June 2017; 7,620 unquoted options exercisable at \$105.00 on or before 9 October 2017; and 46,668 unquoted Options exercisable at \$0.30 each on or before 30 November 2018.

## 5.4 Pro forma statement of financial position

Set out below is the audited consolidated statement of financial position of the Company as at 30 June 2016 and the unaudited pro forma consolidated statements of financial position of the Company have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position resulting from the Placement and then the Offer (including expenses of the Offer) and assumes no further Securities are issued (including by way of exercise of Options).

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The significant accounting policies upon which the consolidated statement of financial position and the pro forma consolidated statements of financial position are based are contained in the audited financial report for the year ended 30 June 2016.

	Audited 30 June 2016 \$	Adjustments in relation to the offer * \$	Unaudited Pro Forma After the Offer** \$
<b>Current Assets</b>			
Cash and cash equivalents	213,198	(9,990)	203,208
Trade and other receivables	49,811	-	49,811
Other assets	146,519	-	146,519
<b>Total Current Assets</b>	<b>409,528</b>	<b>(9,990)</b>	<b>399,538</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	450,000	-	450,000
<b>Total Non-Current Assets</b>	<b>450,000</b>	<b>-</b>	<b>450,000</b>
<b>TOTAL ASSETS</b>	<b>859,528</b>	<b>(9,990)</b>	<b>849,538</b>
<b>Current Liabilities</b>			
Trade and other payables	407,943	-	407,943
Loans payable	43,860	-	43,860
<b>Total Current Liabilities</b>	<b>451,803</b>	<b>-</b>	<b>451,803</b>
<b>TOTAL LIABILITIES</b>	<b>451,803</b>	<b>-</b>	<b>451,803</b>
<b>NET ASSETS</b>	<b>407,725</b>	<b>(9,990)</b>	<b>397,735</b>
<b>EQUITY</b>			
Contributed equity	11,009,463	(9,990)	10,999,473
Reserves	115,948	-	115,948
Accumulated losses	(10,454,766)	-	(10,454,766)
Non-controlling interest	(262,920)	-	(262,920)
<b>TOTAL EQUITY</b>	<b>407,725</b>	<b>(9,990)</b>	<b>397,735</b>

### Notes

No adjustments have been made in relation to the current Placement.

\* Adjustments related to the Offer assume funds of \$10 raised and costs of the Offer of \$10,000.

## 5.5 Effect of the Offer on control

The Company will not issue Shares under the Offer to Directors, related parties of the Company or any other person if the issue would breach the takeover prohibition in section 606 of the Corporations Act.

The following table sets out the potential dilutionary effect of the Offer assuming that no current Shareholders apply for or are issued Shares under the Offer.

<b>Full Subscription</b>		
<b>Existing Shares</b>	<b>Shares to be issued</b>	<b>% dilution</b>
41,670,210	1,000	~Nil

## 6. RISK FACTORS

### 6.1 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Bolivia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(c) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the current or future Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities, and in Bolivia an additional permit for selling mineral products.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely

manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements/licences.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(f) **Risk of international operations generally**

(i) International sales and operations are subject to a number of risks, including:

- A. potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- B. potential difficulties in protecting intellectual property;
- C. increases in costs for transportation and shipping; and
- D. restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

(ii) Any of these factors could materially and adversely affect the Combined Entity's business, results of operations and financial condition.

## 6.2 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

## 7. ADDITIONAL INFORMATION

### 7.1 Continuous disclosure obligations

The Company is a “listed disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which, among other things, require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged with ASIC by the Company;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of the annual financial report referred to in **Section 7.1(c)(i)** and before the lodgement of a copy of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in **Section 7.1(c)(i)** before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Shares the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

Copies of all documents lodged with ASIC in relation to the Company can be obtained from, or inspected at, an ASIC office, or they may be inspected at the registered office of the Company during normal office hours.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement on 27 September 2016 of the 2016 annual report.

<b>Date</b>	<b>Heading</b>
25/11/2016	Results of Meeting
11/11/2016	Appendix 3B
11/11/2016	Information Required Under ASX Listing Rule 3.10.5A
03/11/2016	Corporate Governance Statement
21/10/2016	Notice of Annual General Meeting/Proxy Form
17/10/2016	Consolidation Timetable Clarification
14/10/2016	Quarterly Activities Report
14/10/2016	Quarterly Cashflow Report
12/10/2016	Consolidation/Split - VIC
12/10/2016	Notice of General Meeting/Proxy Form
04/10/2016	Company Update
27/09/2016	Appendix 4G

## **7.2 Rights and liabilities attaching to the Shares**

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(f) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(g) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes cast by Shareholder entitled to vote at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### 7.3 Consents

Each of the parties referred to as consenting parties who are named below:

- (a) does not make the Offer;
- (b) has not authorised, and has not caused the issue of this Prospectus;
- (c) has not made, or purported to make, any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, except to the extent specified in this **Section 7.3**;
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus; and
- (e) has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Role	Consenting Party
The Company's auditor, which has also given its written consent to the inclusion of the Company's audited balance sheet, descriptions of the audit report (in <b>Sections 1.6.1(a) and 5.4</b> ) and other information in this Prospectus and has consented to the inclusion of all statements relating to Bentleys Audit and Corporate (WA) Pty Ltd in this Prospectus, in each case in the form and context in which it is included. Bentleys Audit and Corporate (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.	Bentleys Audit and Corporate (WA) Pty Ltd

### 7.4 Directors', experts' and advisers' consents and interests

Other than as set out below or elsewhere in this Prospectus no:

- Director or proposed Director (or any firm in which any such Director or proposed Director is a partner or director);
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or

- underwriter to the issue of the Securities or financial services licensee named in this Prospectus as being involved in the issue of the Securities,

holds at the date of this Prospectus or held at any time during the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the offer of Securities under the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons:

- in the case of the Directors or any proposed Directors, as an inducement to become or qualify as a Director; or
- for services provided in connection with:
  - a. the formation or promotion of the Company; or
  - b. the Offer.

(a) **Directors' Relevant Interests in securities**

As at the date of this Prospectus, the Directors had the following Relevant Interests in Shares:

Director	Number
Dr James Ellingford	19,143
Mr Peter Peebles	12,156
Mr Terence Clee	-

As at the date of this Prospectus, the Directors had the following Relevant Interests in unquoted Options:

Director	Exercise price	Expiry date	Number
Dr James Ellingford	\$15.75	31 December 2016	2,858
	\$0.45	30 November 2018	33,334
Mr Peter Peebles	\$15.75	31 December 2016	572
	\$0.45	30 November 2018	6,667
Mr Terence Clee	-	-	-

(b) **Remuneration**

The Constitution provides that the Directors may be paid for their services as directors a maximum total amount (excluding salaries) determined by the Company in general meeting (currently set at \$250,000). Executive Directors are entitled to be remunerated by salary or other employment related benefits in accordance with their employment agreements. The table below sets out the remuneration paid, or due to be paid, to the Directors, inclusive of superannuation (exclusive of GST) for the two financial years prior to the date of this Prospectus and for the current financial year until the date of this Prospectus:

Director	Proposed remuneration to be paid in 2017 financial year	Remuneration paid in 2016 financial year	Remuneration paid in 2015 financial year
Dr James Ellingford	\$142,350	\$142,350	\$142,350
Mr Peter Peebles	\$48,000	\$27,500	\$27,500
Mr Terence Clee	\$84,000	\$9,000	\$9,000

## 7.5 Expenses of the Offer

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Full Subscription
ASIC fees	\$2,350
ASX fees	\$1,750
Other costs	\$5,900
<b>Total</b>	<b>\$10,000</b>

## 7.6 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Share Price	\$
Highest Share price (adjusted for consolidation)	\$0.045 on various dates, most recently 9 September 2016
Lowest Share price (adjusted for consolidation)	\$0.015 on various dates, most recently 16 November 2016
Last market sale price per Share prior to the date of this Prospectus	\$0.017 on 28 November 2016

## 7.7 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

## 7.8 Financial Forecasts

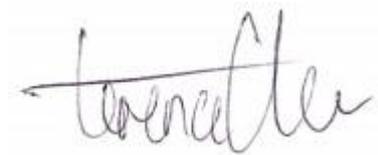
The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future financial performance on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 29 November 2016.

A handwritten signature in black ink, appearing to read 'Terence Clee', is written over a faint, light-colored rectangular background.

**Terence Clee**  
Director  
Victory Mines Limited

## 9. DEFINITIONS

Definitions used in this Prospectus are as follows:

**Applicant** means an applicant for Securities under the Offer.

**Application Form** means an application form in respect of the Offer attached to and forming part of this Prospectus.

**Application Monies** means the amount of money in dollars and cents payable for Shares at \$0.01 per Share pursuant to the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the ASX Listing Rules published and distributed by the ASX.

**Board** means the board of Directors of the Company from time to time.

**CHES** means ASX Clearing House Electronic Sub-register System.

**Closing Date** means the date that the Offer close which is 5.00pm (WST) on 31 January 2017 or such other time and date as the Directors determine.

**Company** means Victory Mines Limited ACN 151 900 855.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Offer** means the offer to investors to be identified by the Directors of 1,000 shares at an issue price of \$0.01 each pursuant to this Prospectus to raise \$10.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the first date for receipt of completed Application Forms which is 30 November 2016 or such other time and date as the Directors determine.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of one or more Options.

**Placement** has the meaning given in **Section 4.3**.

**Prospectus** means this prospectus dated 29 November 2016.

**Section** means a section of this Prospectus, unless otherwise specified.

**Securities** means Shares.

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

**Share Registry** means Automic Registry Services Pty Limited.

**Shareholder** means the registered holder of a Share.

**WST** means Western Standard Time in Australia.