
VICTORY MINES LIMITED

ABN 39 151 900 855

**NOTICE OF GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME: 10.00am AEST

DATE: Friday, 28 April 2017

**PLACE: Level 29, Chifley Tower
2 Chifley Square
Sydney NSW 2000**

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.

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.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Victory Mines Limited which this Notice of Meeting relates to will be held at 10.00am AEST on Friday, 28 April 2017 at Level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Victory Mines Limited will be held at 10.00am AEST on Friday, 28 April 2017 at Level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00 pm (AEDT) on Wednesday, 26 April 2017.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Resolution 1 – 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 7.1 and for all other purposes, approval is given for the Company to issue up 138,372,154 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 may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

Resolution 2 – 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 7.1 and for all other purposes, approval is given for the Company to issue up 23,907,339 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 may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

Resolution 3 – Issue of Options – 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 ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 324,676 Options to Peter Peebles 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 may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

Resolution 4 – 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 38,846,367 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.

Resolution 5 – 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 issue of 25,200,105 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 a 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.

Resolution 6 – Placement 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 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 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 may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

Resolution 7 – 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 7.1 and for all other purposes, approval is given for the Company to issue up 6,493,506 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 may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

DATED: 21 MARCH 2017

BY ORDER OF THE BOARD

**ELIZABETH HUNT
COMPANY SECRETARY
VICTORY MINES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Victory Mines Limited to be held at 10.00am AEST on Friday, 28 April 2017 at Level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part)

1. SUMMARY OF COMPANY ACTIVITIES

Victory provides the following information to assist shareholders when considering how to vote on the resolutions the subject of this Notice.

1.1 Status of Milestone Loan

On 6 April 2016, Victory 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.

Additionally, and as part of the Milestone Acquisition, Victory 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.

1.2 Continued exploration of Bolivian mining projects

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

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

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

1.3 Summary of Resolutions

The following table illustrates the effect of the Resolutions contained in this Notice of Meeting, assuming all Resolutions are approved and the maximum number of securities are issued.

	Current Shares on issue as at the date of this Notice	Current Options on issue as at the date of this Notice
Current	407,162,741	5,063,745
Resolution 1	-	138,372,154
Resolution 2	-	23,907,339
Resolution 3	-	324,676 ¹
Resolution 7	-	50,000,000
Resolution 8	6,493,506	-
Total	413,656,247	217,343,238

2. RESOLUTION 1 – ISSUE OF OPTIONS

2.1 General

Resolution 1 seeks Shareholder approval for the issue of 138,372,154 Options.

As set out in the announcement dated 16 January 2017, participants in the recently completed placement (approved by Shareholders at the general meeting held 15 November 2016 and issued under the Company's 15% and 10% placement capacities) (**Completed Placement**) are entitled to receive one Option for every two Shares issued under the Completed Placement, subject to Shareholder approval.

Additionally, the Company also issued 56,277,056 Shares to settle the debts of existing creditors, including settling a \$300,000 working capital loan received in 2016. The subscribers to these additional Shares will also receive Options on the terms above, subject to Shareholder approval.

The purpose of this Resolution is to seek Shareholder approval for the issue of the 138,372,154 attaching Options to be issued to these subscribers.

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.

The effect of this Resolution will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Options that will be issued is 138,372,154;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on a single date;

¹ These 324,676 Options are not included in the total as they are already included in the 23,907,339 Options for which approval is being sought under Resolution 3.

- (c) the issue price will be nil;
- (d) the persons to whom, the Options will be issued are the subscribers referred to in section 2.1, none of which are related parties of the Company;
- (e) the terms of the Options are set out in Annexure A.
- (f) the Company intends to seek quotation of the Options subject to satisfaction of the ASX quotation requirements; and
- (g) no funds will be raised via the issue of the Options.

2.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 1. The Board recommends that Shareholders vote in favour of Resolution 1 as it will enable the Company to issue the Options without utilising the Company's 15% placement capacity.

3. RESOLUTION 2 – ISSUE OF OPTIONS

3.1 General

Resolution 2 seeks Shareholder approval for the issue of 23,907,339 Options.

As announced on 25 January 2017, the Company has provided eligible Shareholders with the opportunity to increase their holdings in the Company through a Share Purchase Plan (**SPP** or **Share Purchase Plan**) via the issue of up to 95,629,355 fully paid ordinary shares in Victory. Eligible Shareholders will also receive one free Option for every four Shares subscribed for and issued under the SPP, subject to Shareholder approval. Shareholder approval was not required for the issue of the SPP Shares.

This Resolution seeks shareholder approval for the attaching Options.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Options that will be issued is 23,907,339;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on a single date;
- (c) the issue price will be nil;
- (d) the persons to whom the Options will be issued are not, as yet, identifiable, but will be eligible shareholders who participate in the SPP. The persons will not be related parties of the Company as the Directors have indicated their intention to not participate;
- (e) the terms of the Options are set out in Annexure A.
- (f) the Company intends to seek quotation of the Options subject to satisfaction of the ASX quotation requirements; and

(g) no funds will be raised via the issue of these Options.

3.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 2. The Board recommends that Shareholders vote in favour of Resolution 2 as it will enable the Company to issue the Options without utilising the Company's 15% placement capacity.

4. RESOLUTION 3 – ISSUE OF OPTIONS TO PETER PEEBLES

4.1 General

As set out above, pursuant to Resolution 2, the Company is seeking Shareholder approval for the issue of the attaching Options under the SPP, being up to 23,907,339 Options, to participants under the SPP.

Peter Peebles, a Director, wishes to participate in the SPP and as such will receive one Option for every four Shares subscribed for under the SPP (**Participation**).

This Resolution seeks Shareholder approval for the Participation by Mr Peebles. Mr Peebles will be entitled to receive a maximum of 324,675 Options should he receive his full \$15,000 entitlement under the SPP.

4.2 Chapter 2E of the Corporations Act

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 Participation will result in the issue of Options which constitutes giving a financial benefit and Peter Peebles is a related party of the Company by virtue of being a Director.

The Directors (other than Peter Peebles who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Peebles on the same terms as Options issued to non-related party participants in the SPP and as such the giving of the financial benefit is on arm's length terms.

4.3 ASX Listing Rule 10.11

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.

As the SPP involves the issue of Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Options will be issued to Mr Peebles (or his nominee) and other participants under the SPP;
- (b) the maximum number of Options to be issued is 324,676;
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be nil, being the same as all other Options issued under the SPP;
- (e) the terms of the Options are set out in Annexure A;
- (f) the Company intends to seek quotation of the Options subject to satisfaction of the ASX quotation requirements; and
- (g) no funds will be raised via the issue of these Options.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Mr Peebles (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

5.1 General

Between 16 January 2017 and 20 January 2017 the Company issued a total of 62,046,472 Shares to various parties being participants in the Completed Placement, creditors and convertible loan holders.

Of these 25,200,105 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 25 November 2016 and 38,846,367 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

These Resolutions seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

5.2 ASX Listing Rule 7.1, 7.1A and 7.4

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior Shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains Shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

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

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of these Resolutions, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on the Resolutions being passed by the requisite majority.

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) 38,846,367 Shares were issued pursuant to ASX Listing Rule 7.1 and 25,200,105 pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.01155 per Share under both issue of Shares pursuant to ASX Listing Rules 7.1 and 7.1A;
- (c) the Shares were issued to various parties being participants in the Completed Placement, creditors and convertible loan holders, none of which are related parties of the Company;
- (d) 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;
- (e) the Shares issued were for a total value of \$739,736, however as per the announcement dated 16 January 2017, \$650,000 of the issue was to settle existing creditors including a \$300,000 convertible loan. The balance of \$89,736 cash raised from this issue will be used for general working capital.

5.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of these Resolutions. The Board recommends that Shareholders vote in favour of these Resolutions as it will enable the Company to refresh the placement capacities under ASX Listing Rule 7.1 and 7.1A.

6. RESOLUTION 6 – PLACEMENT OF OPTIONS

6.1 General

This Resolution seeks Shareholder approval for the issue of up to 50,000,000 Options at an issue price of \$0.0001 each (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above. The effect of this Resolution will be to allow the Company to issue the Options pursuant to this resolution during the period of 3 months after the Meeting, without using the Company's 15% placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 50,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on a single date;
- (c) the issue price will be \$0.0001 per Option;
- (d) the persons to whom the Options will be issued are not, as yet, identifiable, but will be subscribers to be identified by the Company. The persons will not be related parties of the Company;
- (e) the terms of the Options to be issued are set out in Annexure A.
- (f) the Company intends to seek quotation of the Options subject to satisfaction of the ASX quotation requirements; and
- (g) the Company intends to use the funds raised from the Option Placement as working capital.

6.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to fund its ongoing operations and commitments.

7. RESOLUTION 7 – ISSUE OF SHARES

7.1 General

This Resolution seeks Shareholder approval for the issue of 6,493,506 Shares.

On 16 January 2017 the Company announced the issue of Shares to the lenders of the convertible loan of \$300,000 subject to receiving Shareholder approval. This issue of 6,493,506 Shares represents the final interest and fee component due to the lenders.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of this Resolution will be to allow the Company to issue the Shares during the period of 3 months after the Meeting, without using the Company's 15% placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this issue:

- (a) the maximum number of Shares to be issued is 6,493,506;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Shares will occur on a single date;
- (c) the issue price will be nil as they represent the discounted conversion price for the convertible loan;
- (d) the persons to whom the Shares will be issued are the convertible loan lenders, none of which are related parties of the Company;
- (e) 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; and
- (f) no funds will be raised by the issue of these Shares.

7.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to issue the Shares without utilising the Company's 15% placement capacity.

GLOSSARY

AEST means Australian Eastern Standard Time, as observed in Sydney, New South Wales.

ASIC means Australian Securities and Investments Commission.

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

Chair means the chair of the Meeting.

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

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.

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

Gondwanaland means C.M. Gondwanaland S.A, a Bolivian company in which Victory has an interest (through its ownership of 100% of the issued capital of South American Tin Limited).

Heads of Agreement means the conditional binding heads of agreement entered into by the Company in respect of the Milestone Acquisition, as announced on ASX on 6 April 2016.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Security means a security in the capital of the Company.

Security Holder means the holder of a Security.

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

Shareholder means a registered holder of a Share.

Share Purchase Plan or **SPP** means as defined in clause 3.1.

ANNEXURE A – TERMS AND CONDITIONS OF \$0.02, 28 DECEMBER 2020 OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), 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 28 December 2020 (**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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **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.

(k) **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.

(l) **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.

(m) **ASX Quotation**

The Company intends to apply for quotation of the Options on ASX.

(n) **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

GENERAL MEETING

I /We

of:

being a Shareholder of Victory Mines Limited entitled to attend and vote at the 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 General Meeting to be held at 10.00 AEST on Friday, 28 April 2017 at Level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 and at any adjournment thereof.

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 General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options – Peter Peebles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Placement of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares	<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 ph (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.