

ASX ANNOUNCEMENT

Date: 26 May 2017



REPAYMENT ARRANGEMENT FOR US\$250,000 FROM MILESTONE SPORTS

Victory Mines Limited (**Victory**) provides the following update on the loan receivable from Milestone Sports Ltd (an entity incorporated in Israel) (**Milestone Sport**).

Background

On 6 April 2016, Victory Mines Limited (**Victory**) announced it had entered into a conditional binding heads of agreement (Agreement) to acquire 100% of the issued capital in Milestone Sports Ltd (an entity incorporated in Israel) (**Milestone Sport**).

On 17 August 2016, Victory announced that Milestone Sports and Victory had mutually agreed to terminate the Agreement with no acknowledgement of fault by either party. In addition, Victory had agreed to allow Milestone Sport until 30 April 2017 to repay the US\$500,000 loan that was made to Milestone Sport at the time of signing the Agreement (**Loan**).

Loan Repayment Arrangement

Victory and Milestone Sport have entered into an Amendment to the Loan Agreement which includes the following terms:

- The outstanding Loan balance, inclusive of all accrued interest, is reduced to US\$250,000;
- Effective 24 May 2017, an interest rate of 7% applies to the outstanding Loan balance, with interest (only) payable to Victory monthly, for a term of 18 months;
- Effective 24 November 2019, the Loan principle and interest will be paid to Victory in monthly instalments for a period of 18 months;
- No penalties or prepayment fees are applicable should Milestone Sport repay any part of the Loan early.

The above terms were reached after extension negotiations. The alternative was for Victory to be in a position where the entire loan amount converted into shares in Milestone Sport at a significant premium to the value at which Milestone is currently raising equity finance. The Board formed the view that, rather than become a minority shareholder in Milestone Sport, it was a more prudent measure to reach a compromise on the repayment terms (as outlined above).

For further information please contact:

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