

ASX ANNOUNCEMENT

28 July 2017



ASX WAIVER DECISION – LISTING RULE 14.7

Victory Mines Limited (ASX: VIC) (“Victory” or “the Company”) refers to its Share Purchase Plan that closed oversubscribed in February 2017 (“SPP”).

Pursuant to the terms of the SPP, eligible shareholders who received Company shares pursuant to the SPP were also entitled to receive one free option, exercisable at \$0.02 each on or before 28 December 2020, for every four shares they received under the SPP (**SPP Options**). The Company obtained shareholder approval to issue the SPP Options on 28 April 2017 and lodged a prospectus for the SPP Options with ASIC on 19 July 2017.

The Company now wishes to advise that ASX has granted it a waiver from ASX Listing Rule 14.7 to extend the final issue date of the SPP Options to no later than 11 August 2017.

The full terms of the waiver are **below**.

1. DECISION

Based solely on the information provided, ASX Limited (“ASX”) grants Victory Mines Limited (“Company”) a waiver from Listing Rule 14.7 to the extent necessary to permit the Company to issue up to 23,907,339 options exercisable at \$0.02 on or before 28 December 2020 (the “Options”) as approved by a meeting of shareholders on 28 April 2017 (“Shareholder Approval”) later than 3 months after Shareholder Approval, on the following conditions:

- (a) The Securities are issued no later than 11 August 2017 and otherwise on the same terms and conditions as the Shareholder Approval;
- (b) The Company immediately releases the terms of this waiver to the market.

ASX has considered listing rule 14.7 only and makes no statement as to the Company’s compliance with other listing rules.

2. BASIS FOR DECISION

2.1 Underlying policy

If a notice of meeting states that an entity will do something that the listing rules require it to do, the entity must do that thing. This supports the integrity of listing rule requirements that forbid a listed entity from taking a particular action unless it has obtained the prior approval of ordinary

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security holders, and require the giving to security holders of specific information about the proposed action in order for such approval to be validly obtained.

2.2 Facts and reasons for granting waiver

Listing rule 7.3.2 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within three months of the date of the shareholders' meeting. Listing Rule 7.3.2 ensures that an issue of equity securities is made within a reasonably short time after the ordinary security holders approve the issue, so that there is less possibility that the circumstances of the entity may change by the time that the issue is made in such a way that they are different from those that the ordinary security holders may reasonably have had in contemplation at the time of giving their approval. Listing rule 14.7 ensures that an issue of securities approved by security holders conforms to the terms on which security holder approval for the issue was obtained.

The Company obtained shareholder approval on 28 April 2017 under listing rule 7.1 for the issue of the Options to unrelated parties which stated that the Options would be issued no later than 3 months after the date of the meeting being 28 July 2017. The Company was unable to issue the Options within the requisite time periods due to delays in preparation of its prospectus and requested an extension of time of two weeks to issue the Options. A short extension of two weeks in these circumstances allows an issue to which shareholders have given their assent to be carried into effect without the need for convening a new shareholders' meeting. Only a short extension would be appropriate, to ensure that an entity cannot purport to act on an approval that has become stale. The degree of voting dilution that might be caused by the issue is fixed, and the issue price is zero. There has been no material adverse change to the Company's circumstances since the date of the meeting. In these circumstances, an extension of time of two weeks to carry out the issue approved by shareholders is considered to be appropriate."

As you will see, the waiver is subject to certain conditions. Under Listing Rule 18.1.1, these conditions must be complied with for the waiver to be effective.

2.3 ASX's power to vary or revoke waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke this waiver at any time.

Enquiries

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Company Secretary