



Drilling and Sampling Advances Steadily at Bolivian Tin Sites

Highlights

- 321m of drilling has been completed at the “Arenas Catavi”, “Kenko” and “Rio Andavillque” tin tail sites in Bolivia.
- Drilling and sampling of “Sink and Float” the largest deposit will start within a week.
- Tin content for Kenko 1 reported weighted average of 0.42% as expected.
- The particle size distribution for Kenko reported the P80 between 150 and 240 micrometers for the majority of the deposit.
- Kenko ore will be processed without a comminution circuit decreasing significantly the capital and operation costs.
- Coordinations have started with TOMRA Ore Sorting Company to pre-concentrate coarse tails from “Sink & Float” by using XRD technology. Recoveries above 90% have been reported in a commercial tin processing plant.

Victory Mines Limited (ASX: VIC) (“Victory” or “the Company”) is delighted to provide an update on the drilling and sampling program at its Bolivian project. The Company has completed the drilling and sampling at “El Kenko”, “Rio Andavillque” and “Arenas Catavi” tails deposits, which are located near the town of Llallagua at 3900m above sea level. The location of the drillholes at these deposits is presented in Figures 1 and 2.

Kenko 1 shows the presence of detritus from igneous rock and other minerals such as quartz, pyrite, sericite, hematite and limonite. The deposit can be classified as a sulphide ore with the existence of small sections in transition to oxides. The particle size, carried out wet until the smallest aperture of 38µm, reported the particle distribution between 150 and 240 µm and a small area below 80µm. The weighted grade for Kenko 1 reported the tin average of 0.42% (see Table 1).

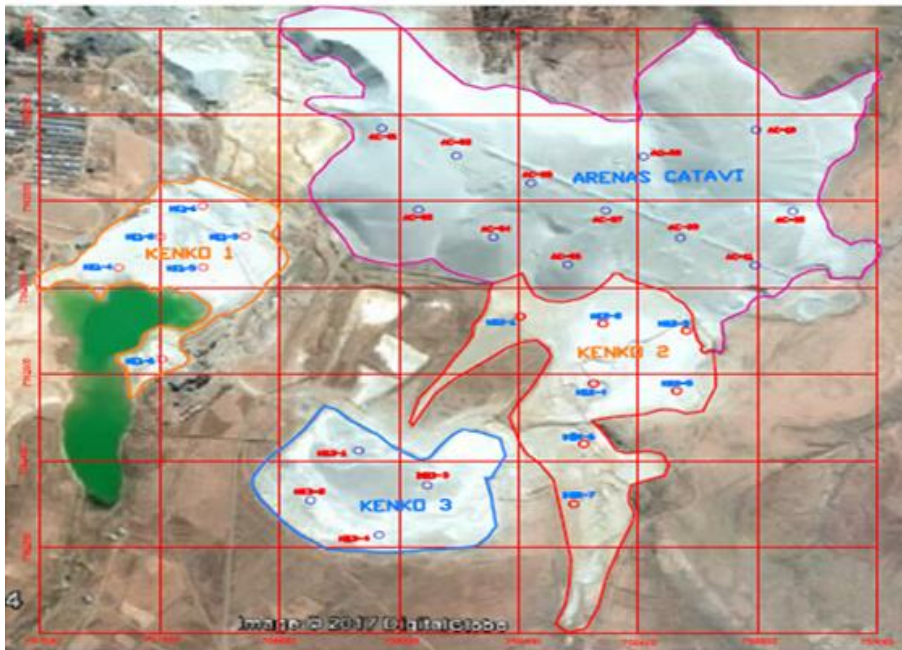


Figure 1. Kenko and Arenas Catavi drilling holes location



Figure 2. Rio Andavillque drilling holes location

Table 1. Tin content from Kenko 1 Drill Core Samples

Assay Sample ID	Sn, %
VIC 5001	0.34
VIC 5002	0.34
VIC 5003	0.39
VIC 5004	0.45
VIC 5005	0.45
VIC 5006	0.48
VIC 5007	0.39
VIC 5008	0.50
VIC 5009	0.51
VIC 5010	0.52
VIC 5011	0.48
VIC 5012	0.33
VIC 5013	0.33
VIC 5014	0.46
VIC 5015	0.39
VIC 5016	0.51
VIC 5017	0.73
VIC 5018	0.34
VIC 5019	0.28
VIC 5020	0.34
VIC 5021	0.40
VIC 5022	0.33
VIC 5023	0.34
VIC 5024	0.34
VIC 5025	0.46
VIC 5026	0.39
VIC 5027	0.34
VIC 5028	0.39
VIC 5029	0.51
VIC 5030	0.44
VIC 5031	0.45
Avg.	0.42

A strict protocol for the drilling of 181 cores from Arenas Catavi and 28 from Rio Andavillque was followed and the Dando Terrier 2002 continues being used to produce undisturbed drill core samples. This 1.3tonnes-equipment is a track-mounted soil sampling rig designed to be easily mobilized to site. It operates following the Standard Penetration Testing (SPT) in general accordance with the British Standard 1377. Figures 3 to 6 show Victory and UTO teams drilling and taking samples at Arenas Catavi and Rio Andavillque.



Figure 3. Victory and UTO teams drilling at Arenas Catavi



Figure 4. Taking out the sample from the drill core at Arenas Catavi



Figure 5. Victory and UTO teams drilling at Rio Andavillque



Figure 6. Several labelled drill cores for Rio Andavillque mine site

Arenas Catavi shows the presence of fragments of igneous rock with slate often at less than 2mm size and fine clay. Figure 7 shows the minerals observed from a sample after in-situ concentration test on a porcelain plate. It is observed the presence of fine grains of cassiterite

(Cs), fine pyrite (Py), fine quartz (Qz) and the iron oxides of haematite and limonite (Ox-Hm-Lm). Some cassiterite was also seen impregnated on the quartz mineral.

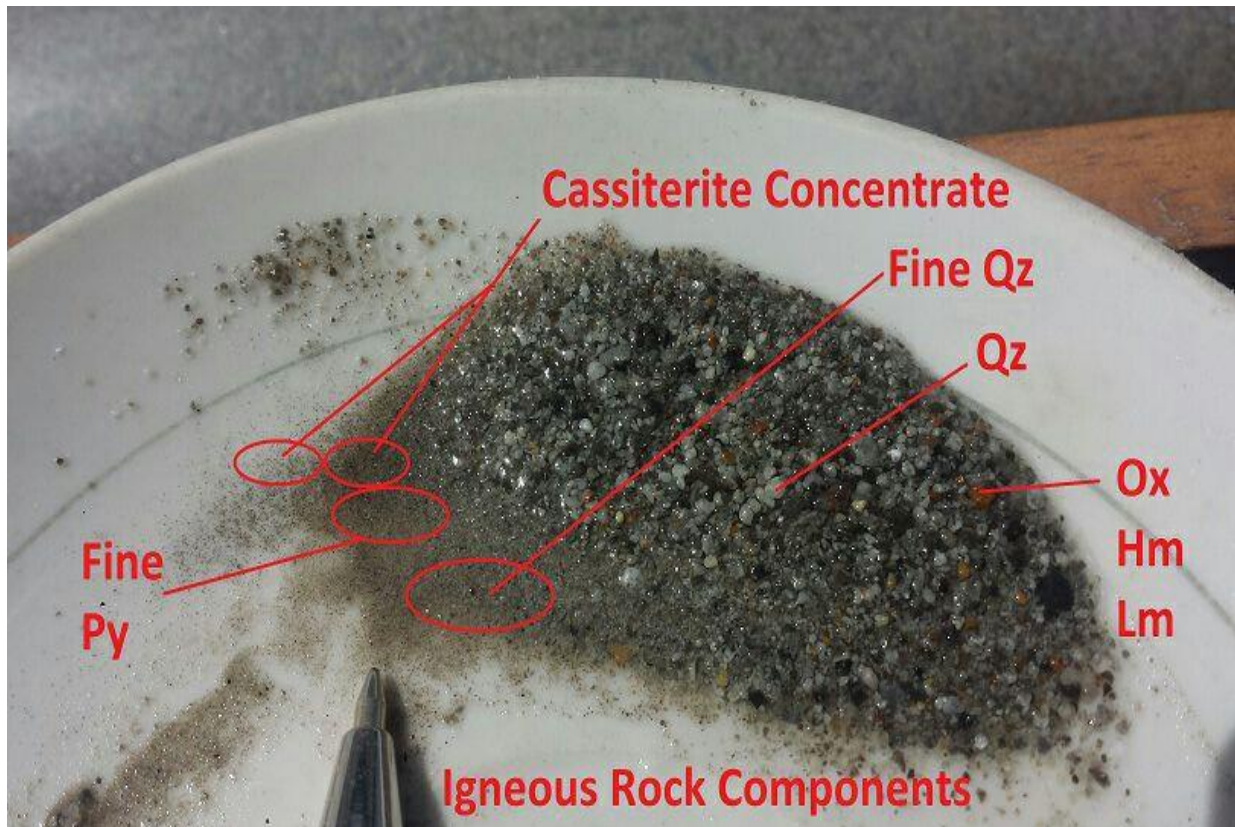


Figure 7. Cassiterite and other elements observed in an Arenas Catavi sample

The Company is committed to obtaining all relevant information that leads to a comprehensive evaluation of the tails deposits and future processing techniques required. The Company has a reliable team working in Bolivia that is following thoroughly the drilling and sample preparation procedures. Victory Mines is ensuring that the drying, splitting, labelling and storage of samples is executed properly and the sample information is recorded accurately. Figure 8 shows labelled samples organized in storage shelves.



Figure 8. Victory Contractor filling a log-sheet after the samples split

Kenko 1 tin assays have been received. Tin has been analysed by a certified chemical laboratory in Oruro, SpectroLab (acid digestion, followed by wet chemistry titration) Blanks and duplicate samples have been used for QC/QA. The Company is currently waiting for the particle size analysis and tin-by size analysis for the majority of the drilled samples and will release these results to market once at hand.

Act Labs from Canada will carry out the ICP assays for 60 elements. Act Labs is an ISO 17025 accredited full analytical laboratory that performs high quality analysis to the mining sector and many other industries across the world. The first batch of samples has already been sent to Canada for analysis.

Once the drilling and sampling program is completed, comprehensive metallurgical testing will be carried out to determine the most technical-economical extraction method. It is being sought with mining chemical supplier's special reagents for testing to maximize the recovery of fine cassiterite from tin tailings slime by froth flotation.

Victory is planning on using the latest proven technologies to maximize recoveries of the tails deposits. The German company, TOMRA, has been contacted to carry out the test of Ore Sorting with regard to the "Sink and Float" ore. This technology pre-concentrates ores in the range between 7-70mm, which is similar to the "Sink and Float" particle size. It uses X-ray technology to separate the cassiterite (tin mineral) from the gangue ore and importantly does not use water in the process. Victory Mines will send samples from its deposit to either Australia or Germany to allowing testing to be carried out. This method/technology has proved commercially viable at a tin processing plant were recoveries over 90% were achieved and grades increased 3-4 times.

The Company will continue to provide the results of the chemical, physical and mineralogical assays as they come to hand. These results will enable the Company to make a preliminary

assessment of the tails deposits, future development of a technically reliable and cost-effective process facility which will allow the extraction of tin, silver and other valuable metals to take place and to provide an economic model as to the value of the tin assets in Bolivia.

-END-

Enquiries

Elizabeth Hunt
Company Secretary

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Peebles who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the AIG. Mr Peebles is employed by Darlington Geological Services Pty Ltd and is also a Director of Victory Mines Limited. Mr Peebles has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peebles consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC CODE, 2012 Edition - Table 1 Reporting Template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary
Sampling Techniques	1 metres samples sent to a commercial laboratory in Oruro for tin analysis
Drilling Techniques	Soil Sampling rig Dando Terrier 2002 used to produce undisturbed drill core samples.
Drill Sample Recovery	100% recovery
Logging	Samples logged to a standard template
Sub-sampling techniques and sample preparation	Samples bagged and sent to a commercial laboratory for standard analysis. Industry accepted standards and blanks inserted as certified reference material. QA/QC results indicate the sampling is accurate and precise
Quality of Assay data and laboratory tests	Commercial Mineralogical Laboratory engaged with standard and blanks meeting standard industry practices.
Verification of sampling and assaying	Independent verification has not been undertaken
Location of data points	Drill hole locations surveyed using DGPS techniques
Data spacing and distribution	Variable sample spacing dependent upon deposit size
Orientation of data in relation to geological structure	No geologic structure as deposits are tailings dumps
Sample security	Samples transported to base by company personnel where they were sorted, dried and delivered to the certified mineralogical laboratory
Audits or reviews	No audits or reviews have been conducted.
Mineral tenement and land tenure status	Exploration results reported are from work carried out on various tin tailing projects in Bolivia
Exploration done by other parties	Exploration has been done by previous explorers from 1965 onwards and 2017 by Victory Mines Ltd
Geology	No geology considered as the deposits are tin tailings
Drill Hole Information	Continuous core samples
Data Aggregation methods	Samples collected at 1 metre intervals
Relationship between mineralised widths and intercept lengths	Continuous tin mineralisation throughout the entire sampled columns

Criteria	Commentary
Diagrams	Diagrams of drill hole locations are supplied
Balanced Reporting	Results from all samples collected are reported in this announcement
Other substantive exploration data	All relevant data from previous exploration has been collected

Section 2 Reporting of Exploration Results

Mineral tenement and land tenure status	Exploration results reported are from work carried out on various tin tailing projects in Bolivia under licence from COMIBOL
Exploration done by other parties	Exploration has been done by previous explorers from 1965 onwards and 2017 by Victory Mines Ltd
Geology	No geology considered as the deposits are tin tailings
Drill hole information	Continuous core samples
Data Aggregation methods	Samples collected at 1 metre intervals
Relationship between mineralised widths and intercept lengths	Continuous tin mineralisation throughout the entire sampled columns
Diagrams	Diagrams of drill hole locations are supplied
Balanced Reporting	Results from all samples collected are reported in this announcement
Other substantive exploration data	All relevant data from previous exploration has been collected
Further work	Drilling of other tin tailings areas will continue