

VICTORY MINES LIMITED
ACN 151 900 855

CLEANSING PROSPECTUS

For the offer of up to 10,000 Options at an issue price of \$0.01 per Option to raise up to \$100 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Options issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Options offered by this Prospectus should be considered speculative.**

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1. CORPORATE DIRECTORY

Directors

Mr David Sanders
Chairman

Mr Matthew Blake
Executive Director

Mr Zaffer Soemya
Non-executive Director

Company Secretary

Mr Scott Mison

ASX Code

VIC

Solicitors

Bennett + Co
Corporate and Commercial Law
Ground Floor
28 The Esplanade
Perth WA 6000

Registered Office

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28 The Esplanade
PERTH WA 6000

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Email: scott@victorymines.com

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Share Registry*

Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664 (local) |
+62 2 9658 5414 (international)

Facsimile: +61 2 8583 3040

Auditors*

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street

Perth WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	11 August 2021
Opening Date	12 August 2021
Closing Date*	13 August 2021
Expected date for quotation of Options issued under the Offer on ASX*	20 August 2021

** The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Options to applicants.*

2.2 Important Notes

This Prospectus is dated 11 August 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of options to acquire 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.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Options under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in Options in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

2.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

2.6 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

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 and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Options at an issue price of \$0.01 per Option to raise up to \$100 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The terms of the Options are set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Options issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer 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 the 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.

3.5 Applications

Applications for Options under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

3.6 Not underwritten

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Options are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

3.8 Issue

The issue of Options offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Options. The Directors reserve the right to reject any application or to allocate any applicant fewer Options than the number applied for. Where the number of Options issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Options to be allocated to an Applicant will be final.

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Enquiries

Any questions concerning the Offer should be directed to Mr Scott Mison, Company Secretary, by email at scott@victorymines.com.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions attached to Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$100 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.7 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company are set out below.

Shares

	Number
Shares currently on issue ¹	6,550,252,771

¹ As announced to ASX on 30 July 2021 the Company will seek shareholder approval at its 2021 AGM to issue a further 18,000,000 shares.

Options

	Number
Options currently on issue:	
Options exercisable at \$0.003 on or before 31 March 2022	66,666,668
Options exercisable at \$0.01 on or before 30 November 2023	100,000,000
Options exercisable at \$0.002 on or before 20 December 2024	125,000,000
Options exercisable at \$0.003 on or before 31 December 2024	1,170,500,000
Options offered pursuant to the Offer Exercisable at \$0.003 on or before 31 December 2024	10,000
Total Options on issue on completion of the Offer²	1,462,176,668

² As announced to ASX on 30 July 2021 the Company will seek shareholder approval at its 2021 AGM to issue a further 254,500,000 options exercisable at \$0.003 on or before 31 December 2024.

Performance Rights

	Number
Performance Rights currently on issue	200,000,000

4.3 Financial effect of the Offer

The expenses of the Offer of approximately \$5,000, will be greater than the proceeds received under the Offer. The expenses of the Offer (exceeding \$100) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by \$4,900, being receipt of funds of \$100 less the expenses of the Offer of \$5,000.

5. RIGHTS ATTACHING TO OPTIONS AND SHARES

5.1 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 \$0.003 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2024 (**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 5 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 5 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 clause (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 5 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) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5.2 Shares

The following is a summary of the more significant rights attaching to Shares to be issued in the event of exercise of Options issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in 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.

(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 any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(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.

(e) **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.

(f) **Transfer of Shares**

Generally, Shares 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.

(g) **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.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting 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.

6. RISK FACTORS

6.1 Introduction

The Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific Risks

(a) Additional Requirements for Capital

The capital requirements of the Company depend on a number of factors. Depending on the ability of the Company to generate income from its operations, the Company may require additional financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. It is likely that the Company will need to raise additional funds in the future, which may be dilutive to Optionholders depending on the terms of the capital raising.

(b) Exploration and development success

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit or where an apparently viable deposit has been identified, there is no guarantee that it can be economically exploited.

(c) Reserve and Resource Estimates

No assurance can be given that any mineral reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

(d) **Operational risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Exploration risks**

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences.

(f) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) **Mine development**

Development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(h) **Insurance risks**

There are significant exploration and operating risks associated with exploring for lithium and nickel, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

(i) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral 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 precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

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

6.3 General risks

(a) Trading Price of Options

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Options. In addition, the price of Options is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Options.

(b) Litigation Risks

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(c) Economic Risks

General economic conditions and movements in interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(d) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends on its Board and management. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the directors leave the Board or management leave the Company.

(e) Force Majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

(g) **Covid-19**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates (including the USD / AUD rate).

To date, COVID-19 has not had any material impact on the Company's operations, however, any changes to infection rates within Western Australia or Australia as a whole may result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on future cash flows and financial condition.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

The Company has implemented a COVID-19 management plan across its business at all locations in order to minimise the risk of infection for individuals.

The Company's COVID-19 management plan is reviewed and updated based on the latest guidance from health professionals and the government as the situation develops.

6.4 Investment speculative

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 Options offered under this Prospectus.

Potential investors should consider that an investment in the Options is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

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

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

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

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 and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

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 12 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.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the 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, the offices of the 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 and half-yearly financial report most recently lodged by the Company with the ASIC; and

- (ii) any continuous disclosure documents 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 (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
30 September 2020	Appendix 4G and Corporate Governance Statement
1 October 2020	Corporate Update
1 October 2020	Final Director's Interest Notice
1 October 2020	Initial Director's Interest Notice
2 October 2020	RC drilling programme commences at Coogee Gold Project
7 October 2020	Commencement of Drilling at Bonaparte Project
26 October 2020	Notice of Annual General Meeting/Proxy Form
27 October 2020	Quarterly Cashflow Report
27 October 2020	Quarterly Activities Report
3 November 2020	Acquisition of remaining 90% Interest in Coogee Gold Project
3 November 2020	Proposed issue of Securities - VIC
9 November 2020	Trading Halt
10 November 2020	Significant RC Drill Results from Coogee Gold Project
24 November 2020	Listed Options Expiry Notice
27 November 2020	Further Significant RC Drill Results from Coogee
27 November 2020	AGM Presentation
27 November 2020	Results of Meeting
2 December 2020	Drill Hole Cross Sections from Coogee Gold Project
4 December 2020	Change of Director's Interest Notice
9 December 2020	Assay results received from recent Bonaparte Drill Program
23 December 2020	1 Metre Assay Results from Coogee Gold Project
11 January 2021	Second Major Drill Programme commences at Coogee Project

Date	Description of Announcement
14 January 2021	Completion of remaining 90% interest in Coogee Gold Project
15 January 2021	Notice of initial substantial shareholder from RMS
19 January 2021	Trading Halt
20 January 2021	Change in substantial holding
21 January 2021	Placement to raise \$2m to fund exploration
21 January 2021	Proposed issue of Securities - VIC
21 January 2021	Proposed issue of Securities - VIC
21 January 2021	Cleansing Notice - Section 708A(5)(e) Notice
29 January 2021	Quarterly Cashflow Report
29 January 2021	Quarterly Activities Report
4 February 2021	Cleansing Notice and Appendix 2A
8 February 2021	Trading Halt
8 February 2021	Change in substantial holding
10 February 2021	Significant Gold Intersections Identified North of Coogee
15 March 2021	Half Yearly Report and Accounts
19 March 2021	Notice of General Meeting/Proxy Form
23 March 2021	Gold Mineralisation Significantly Expanded North of Coogee
29 April 2021	Results of Meeting
20 April 2021	Quarterly Cashflow Report
30 April 2021	Quarterly Activities Report
4 May 2021	Cleansing Notice and Appendix 2A
4 May 2021	Change of Director's Interest Notice - D Sanders
4 May 2021	Change of Director's Interest Notice - Z Soemya
4 May 2021	Change of Director's Interest Notice - M Blake
7 May 2021	Trading Halt
11 May 2021	Substantial Copper Results from Defined Gold Trends
12 May 2021	Correction to ASX Announcement
11 June 2021	6,000 Metre RC Drill Programme Commences
16 July 2021	New Coogee Results Define Copper-Gold Trend for over 250m

Date	Description of Announcement
23 July 2021	Quarterly Activities/Appendix 5B Cash Flow Report
26 July 2021	Coogee Main Trend New Results Extend Gold Mineralisation
27 July 2021	Trading Halt
29 July 2021	Suspension from Official Quotation
30 July 2021	Placement to raise \$2.5m to fund exploration
30 July 2021	Proposed issue of securities
30 July 2021	Reinstatement to Official Quotation
6 August 2021	Application for quotation of securities
6 August 2021	Notification regarding unquoted securities
6 August 2021	Change in substantial holding
9 August 2021	Change in substantial holding - Amended
10 August 2021	Completion of Drilling Programme
10 August 2021	Cleansing Notice – Section 708A(5)(e) Notice

7.3 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:

	(\$)	Date
Highest	0.0035	12 May 2021
Lowest	0.002	Various
Last	0.002	10 August 2021

7.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) 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 a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Mr David Sanders	33,333,337	20,000,000 ¹ 1,500,000 ²
Mr Matthew Blake ³	253,840,293	30,000,000 ¹ 10,000,000 ²
Mr Zaffer Soemya ³	9,000,000	5,000,000 ¹ 6,000,000 ²

¹ Exercisable at \$0.01 on or before 30 November 2023.

² Exercisable at \$0.003 on or before 31 December 2024.

³ As announced to ASX on 30 July 2021 the Company will seek shareholder approval at its 2021 AGM to issue a further 18,000,000 shares and 4,500,000 options exercisable at \$0.003 on or before 31 December 2024 to directors.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to Directors inclusive of superannuation for the past two financial years.

	Financial year ended 30 June 2020	Financial year ended 30 June 2021
Mr Matthew Blake	\$24,870	\$77,000
Mr David Sanders	\$39,420	\$59,130
Mr Zaffer Soemya	\$0	\$29,565

7.5 Interests of Experts and Advisers

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

- (a) 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) 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 for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Bennett + Co has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Bennett + Co \$1,500 (excluding GST and disbursements) for these services.

7.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bennett + Co has given its written consent to being named as the solicitors to the Company in this Prospectus. Bennett + Co has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$5,000 (excluding GST) and are expected to comprise legal fees, administrative expenses and ASIC fees. The estimated expenses will be paid out of the proceeds of the Offer and the Company's existing working capital.

7.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.victorymines.com.au.

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 electronic 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.

7.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.10 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as an Optionholder and to facilitate distribution payments and corporate communications to you as an Optionholder.

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.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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 the ASIC.



Mr David Sanders
Director
For and on behalf of
VICTORY MINES LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Options under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Victory Mines Limited (ACN 151 900 855).

Constitution means the constitution of the Company.

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

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer of Options referred to in Section 3.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share exercisable at \$0.003 on or before 31 December 2024.

Optionholder means a holder of Options.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.