

ASX ANNOUNCEMENT

Date: 20 March 2014



South American Tin Progresses Environmental and Social Activities to Advance Bolivian Tin Projects

Highlights

- Continued focus on planned 150 tonne/day tin treatment plant at San Pedrito Project
- Project partner Juan del Valle Cooperative currently assisting SAT with Environmental Licencing
- SAT also advancing development of Social Accord with Bolivia's peak Cooperative body FENCOMIN

Victory Mines Limited (ASX: VIC) is pleased to advise it has received the following update on South America Tin Limited's (SAT) plans to develop a 150 tonne per day tin processing plant in the North of Potosi region of Bolivia. SAT is developing a portfolio of tin projects, the first being a small-scale processing facility at the San Pedrito project which it is advancing in conjunction with the Juan del Valle Cooperative. SAT holds tenure over the project through a contract it holds with the Cooperative.

As announced on 5 March 2014, VIC has entered into an agreement with South American Tin where Victory will acquire 100% of SAT. SAT owns 80% of a local Bolivian entity that holds contracts over seven large-scale tin hard rock, tailings and alluvial tin projects located in the North of Potosi region of Bolivia.

San Pedrito Project Update – Environmental Licensing Progress

SAT's and the Board of the Juan del Valle Cooperative are collectively working to finalise the first draft of the Environmental Licence documentation that will be submitted to the Ministry of Mining and Metallurgy's Environmental Unit in the coming weeks for the San Pedrito project. The first draft is nearing completion with important information being supplied to SAT by the Cooperative in the past week.

The head of the Environmental Unit has given an undertaking to SAT that the documentation will be reviewed in a timely manner given their eagerness to ensure the San Pedrito Project is developed in an environmentally responsible manner.

The President of the Juan del Valle Cooperative is working with SAT to ensure that Bolivia's State Mining Company, COMIBOL, provides all the necessary technical information about its project areas. As the Cooperative has a contract with COMIBOL, it needs to request this historic data from COMIBOL. Having the support of the Cooperative is a major advantage for SAT when dealing with COMIBOL and it demonstrates the Cooperative's significant commitment to this project.

SAT looks forward to updating shareholders on the progress of its environmental submission and other activities it is undertaking to advance the San Pedrito project.

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SAT Managing Director John Kelly (Left) in a Recent Meeting With the Juan del Valle Cooperative With the Deputy Mayor of the Uncia Municipality, Sr Vicente Mirabendi (Right)

Progress of SAT's proposed Investment and Social Accord with FENCOMIN

On 14 March SAT presented new drafts of its planned Investment and Social Accord to the Secretary of International Relations at FENCOMIN, Bolivia's peak representative mining Cooperative body, and to the Vice Minister of Mining Cooperatives. SAT is also progressing a similar Accord with the new Vice Minister of Mining Cooperatives at the request of the Vice Minister.

The purpose of these Accords is to ensure the correct framework is in place for SAT to operate successfully with its Cooperative partners, and to ensure that any issues can be resolved based on the articles of the Accord. SAT's initiative in recommending the development of these Accords with two of Bolivia's most influential mining bodies in Bolivia gives the company significant in-country credibility.

Update on Acquisition

The transaction between VIC and SAT has been approved by the ASX and is subject to the completion of satisfactory due diligence by both parties, and shareholder approval by Victory. Due diligence is now underway and a Notice of Meeting will be finalised shortly and then sent to Victory shareholders.

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About Victory Mines Limited

Victory Mines Limited is a Perth-based exploration company with a portfolio of copper, base metals, rare earth elements, uranium, gold and platinum group element prospects throughout Western Australia. The company listed on the ASX in October 2012 and is seeking to maximise shareholder wealth through the successful exploration of its prospects.

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