



Company Update

Victory Mines Limited (ACN 151 900 855) (ASX: VIC) (“**VIC**” or “**the Company**”) provides the following update to the market.

Ongoing suspension

As previously announced on 23 November 2018, 11 December 2018 and 9 January 2019, the Company has been advised that ASX will not permit the suspension in trading of the Company’s securities to be lifted until such time as ASX’s concerns with respect to the affairs of Hardey Resources Limited (ASX:**HDY**) have been resolved to ASX’s satisfaction.

The board of VIC (“**Board**”) is acutely aware of the impact this ongoing suspension is having on the Company’s market value, ability to raise capital and, most importantly, on its shareholders. The Board wishes to reassure all shareholders that it is proactively investigating every possible solution to the current situation.

Notwithstanding the above, in order to expedite the Company’s securities being released from suspension the Company is presently reviewing its corporate and business relationships to assess the merit of continuing with the status quo or making changes to help expedite relisting of the company’s securities. Ongoing discussions are taking place with ASX in relation to this review to seek to remedy the situation as soon as possible.

In light of the Company’s suspension being linked to the affairs of HDY being resolved to ASX’s satisfaction, it is not possible at this stage to give shareholders certainty with respect to when trading in the Company’s securities will recommence.

The Board wishes to sincerely apologise to its shareholders, who have been forced to endure this lengthy suspension. While incredibly frustrating for all concerned, the Board is committed to having the suspension lifted, commencing drilling per previous announcements and building long term shareholder value.

The Board wants to thank its shareholders for their ongoing support in what is a difficult period and understands that ASX are moving as quickly as possible to find a resolution to this ongoing matter.

Proposed Capital Raising

The Company is currently assessing several options to raise capital.

The Company received shareholder approval at its annual general meeting to issue up to 750,000,000 shares at an issue price not less than 80% of the average market price for shares calculated over the 5 days on which sales in shares were recorded before the date of issue. However, the Board is particularly sensitive not to disadvantage or exclude existing shareholders by diluting their interests. The Company is exploring all capital raising alternatives available and where best to allocate its resources to ensure the best possible outcome for shareholders.

ASX ANNOUNCEMENT

Date: 15 January 2019



Further exploration, and the timing of such, is directly connected to the Company's ability to raise funds, which is currently being directly impacted by the ongoing suspension of the Company's securities. The Board continues to work diligently to bring this unsatisfactory situation to an end.

Malamute and Husky Projects Update

The Board is committed to moving ahead with the previously announced drilling campaign for the Malamute and Husky projects in New South Wales once funding is secured, as foreshadowed in the Company's notice of annual general meeting released on 30 October 2018. Details with respect to the proposed drilling program are set out in the Company's announcement of 12 December 2018.

The Board is committed to progressing efforts towards its inaugural drilling program and, as such, work has continued during this period of suspension to ensure that once new capital is raised the drilling program can commence without delay. That being said, at this stage it is impossible to give an indication as to when the drilling will take place given the current suspension and the difficulty raising the capital required while the Company's securities remain suspended.

Galah Well and Peperill Hill projects – Western Australia

No work has been done on the Galah Well or the Peperill Hill assets as the Board's focus remains on having the current suspension lifted, reassessing its corporate relationships and exploring opportunities to gain further capital.

The Company will assess its exploration programs at the Galah Well and Peperill Hill projects following release of its securities from suspension and completion of the proposed capital raising.

Bonaparte and Laverton projects – Western Australia

A review of the geophysical data is planned to commence as soon as certainty around the suspension is known. The Company's goal is to determine a combination of future drill targets and areas of further work, which will include using some newer geophysical techniques that may be able to directly image zinc mineralisation.

The Board continues to seek a strategic investor to potentially form a joint-venture to develop the Bonaparte project and a buyer for the Laverton asset outright.

Bolivia Tin project

The Bolivia Tin project remains under a care and maintenance program, though discussions with prospective third-party buyers remain ongoing.

ENDS

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