

# ASX ANNOUNCEMENT

Date: 25 July 2016



## June Quarterly Report

### Highlights

- Victory Mines entered into a binding Heads of Agreement to acquire 100% of the issued capital of Milestone Sports, Ltd
- Milestone Sports, Ltd is a sports technology company with an easy-to-use, low-cost wearable shoe device, the MilestonePod, that has tracked to date over 600,000 miles of running data
- MilestonePod is connected to a wearable marketing platform (WMP) offering retailers and brands a unique way to communicate and market to customers
- In June, Milestone launched MilestonePod and MilestoneConnect, in Australia and commenced its sales and marketing strategy and is now in advanced discussions with leading sports retailers and brands
- Victory will undertake a capital raising of up to \$4 million via a public offer of up to 200 million fully paid ordinary shares as part of the acquisition of Milestone Sport, Ltd

Victory Mines Limited (ASX:VIC) ('Victory' or 'the Company') (to be renamed 'Milestone Connex Ltd') provides a review of its activities during the June 2016 quarter.

### Corporate Update

During the quarter, the Company entered a binding Heads of Agreement to acquire 100% of the issued capital of Milestone Sports, Ltd.

As part of the acquisition of Milestone Sports, Ltd the Company will undertake a re-compliance capital raise of up to \$4 million through the issue of up to 200 million fully paid ordinary shares at \$0.02 per share. The General meeting to approve the acquisition, capital raising and other matters set out in the notice of meeting announced on 1 July 2016, will be held on the 5 August 2016.

### Update on Acquisition of Milestone Sports, Ltd

The acquisition of 100% of the issued capital of Milestone Sports by the Company remains conditional on the satisfaction of various conditions precedent, including obtaining the approval of both Milestone Sport and the Company's shareholders. The full conditions precedent are contained in the announcement of 6 April 2016.

Until all of these conditions precedent are satisfied (or waived) the Company will continue to trade as Victory and the Company will not own Milestone Sport.

## **About Milestone and its Activities**

Milestone Sports is a sports technology company offering a low-cost, wearable shoe device that has the ability to collect smart running data such as foot strike, cadence, stance times, rate of impact, stride length, and leg swing, giving the user an overall run-efficiency (Runficiency) Score™. The MilestonePod has to date collected over 600 million miles of running data from its users.

Milestone Sports also offers a unique wearable marketing platform, MilestoneConnect, to retailers and brands. The platform enables retailers and brands to engage with consumers post their shoe purchase. By leveraging users' profiles the retailer or brand can deliver customised marketing, coaching and product recommendations to the user, increasing customer engagement and repeat sales.

During the quarter, the Company announced that Milestone Sports had made available its MilestonePod and MilestoneConnect platform in Australia and commenced its sales and marketing strategy among Australian sports retailers and brands, with a number of advanced discussions now in progress.

The Company also reported that Milestone Sports had debuted its first virtual Leaderboard with the Dick's Sporting Goods Pittsburgh Marathon in the US. The MilestonePod enabled the +1,100 runners who took part to record their training activity as part of the 16-week training program that fed into the virtual Leaderboard. The Leaderboard was powered by the MilestoneConnect platform and is a real-time tracking platform that enabled the race organisers to increase engagement among its participants. Race events represent a significant opportunity for Milestone Sports with a highly relevant and engaged audience willing to purchase tools to help improve their performance and the business is in a number of discussions domestically and overseas for further partnerships for the Leaderboard solution.

Post the quarter, the Company advised that Milestone Sports announced its intentions to expand its offering into the Healthcare sector with its patent pending fall prediction platform. The platform connects consumers with doctors, therapists and caregivers to deliver highly accurate health data and guidance to reduce the probability of a fall among high-risk people.

Furthermore, Milestone Sports has partnered with La Trobe Sport and Exercise Medicine Research Centre for a study assessing the injury risk factors that form a person's running gait. The study will target the effects of a beginner running program on a person's body composition and fitness and is the first time the centre will be able to collect real data from 'real runs', as opposed to in the running lab, for more accurate analysis. The study will also validate the use of cost effective technology, such as the MilestonePod, to increase volunteer participation.

***ENDS***

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