

# ASX ANNOUNCEMENT

Date: 31 July 2017



## June 2017 Quarterly Report

Victory Mines Limited (ASX:VIC) ('Victory' or 'the Company') provides a review of its activities during the June 2017 quarter.

### Exploration – Western Australia

#### Laverton

As announced in March 2017, Victory acquired the Laverton Project (E38/3075) from Empire Resources Ltd. The Laverton Project is considered prospective for gold, nickel and copper as previous exploration defined geochemical soil anomalies for these commodities. Figures 1 and 2

On acquisition, Victory immediately planned an infill geochemical soil sampling programme to either infill the previously defined anomalous areas on a 200 x 25m pattern or to samples areas not previously sampled.

A total of 758 samples were collected (which were approximately 1kg in size) and sent to ALS Laboratories where they were fine ground so that 95% of the sample was <75 micron. The pulps were then subject to analysis by a Niton XL3t XRF analyser. The device was calibrated in "soil" mode. The pulps were then analysed by ALS for gold using their method Au TL43, which is a method using Aqua Regia digest followed by ICP MS finish using a 25 g sample. The gold anomalous areas (Figure 3) relied on results using this analytical method, while the nickel and copper anomalies (Figures 4 & 5) are based on the results from the Niton analysis. The anomalies have been defined using the 95th percentile ie values in the top 5% of results are assumed to be strongly anomalous, and values within the top 10% being viewed as moderately anomalous.

The gold anomalies are shown as Figure 3 overlying the TMI magnetics. The most northern anomaly is open along strike and across strike. The other 2 anomalous regions are up to 900 m in length.

The nickel anomalies are shown as Figure 4, draped over the TMI magnetics. There is a large anomaly defined in the south of the tenement, which is approx. 1.25km in length and it is situated along a prominent geological structure while the Ni anomaly in the north is again coincident with the northerly extension of this structure.

The copper anomalies are shown as Figure 5, with the largest anomaly being over the same geological structure which contains the Ni anomaly. The other Cu anomalous regions are again aligned with or close to, other geological structures.

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Currently quotes are being obtained for a proposed geophysical ground EM Survey which would potentially assist in the definition of suitable drill targets. It is expected that the EM Survey will occur in the next Quarter.



Figure 1 – Laverton Project Location

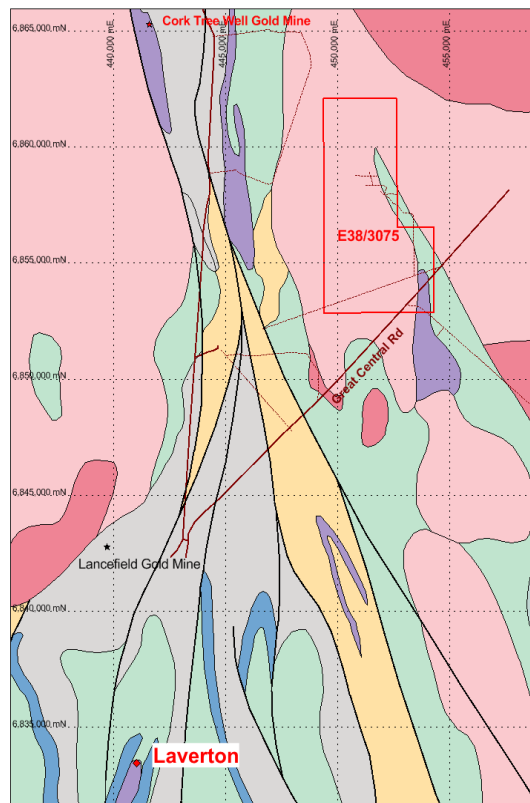


Figure 2 – Tenement Location with Underlying Geology

Previous exploration conducted in 2013 defined several areas which were anomalous for gold (Au), Nickel (Ni) and Copper (Cu). Most of these anomalous regions were aligned with geological structures which were defined from a low level (25m), close spaced (50m) combined aerial radiometric and magnetic survey. Previously, a geochemical soil sampling programme consisting of 1,239 samples was conducted within E38/2374, which were collected every 50 metres on lines spaced 400 metres apart.

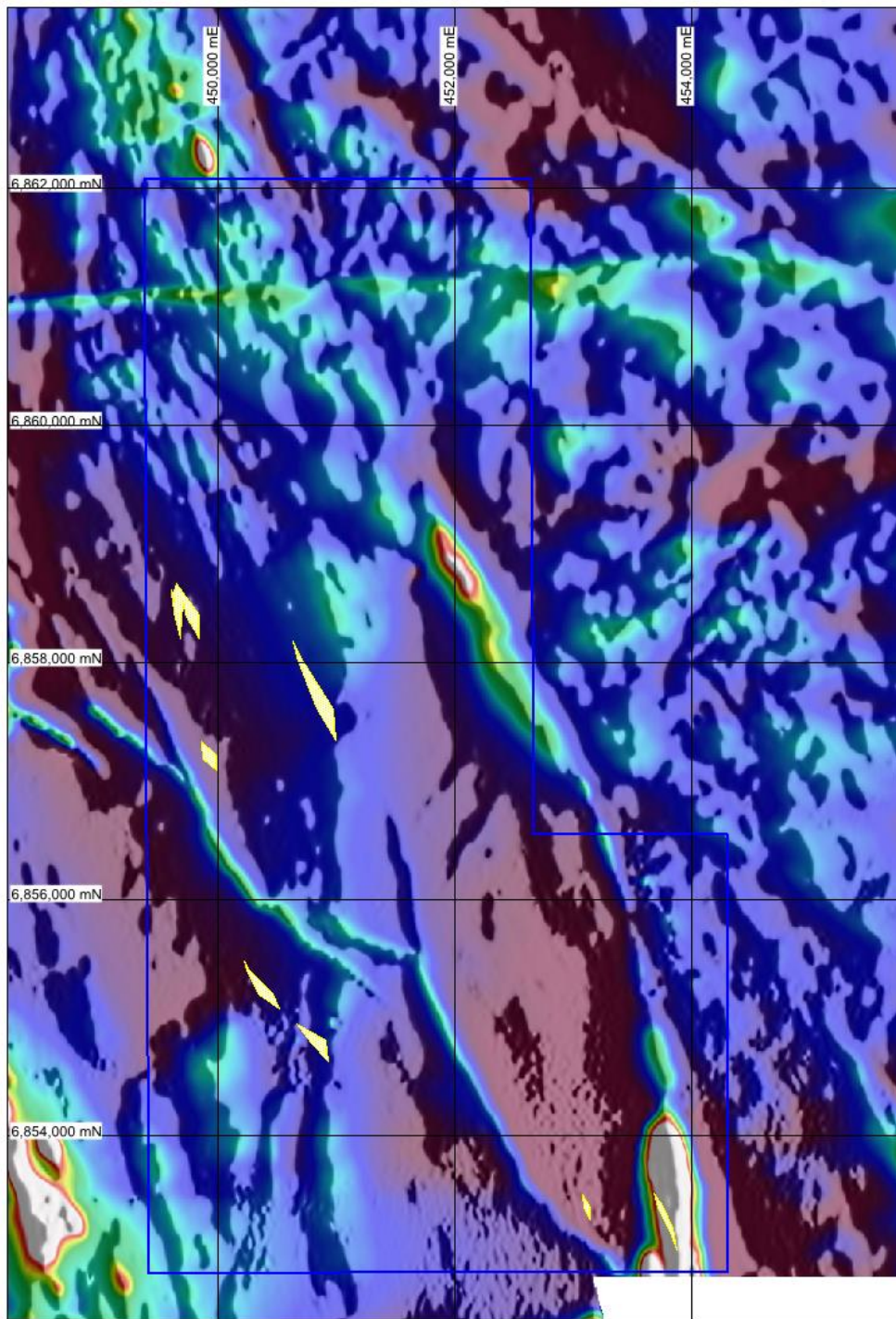


Figure 3 – Gold Anomalies over TMI

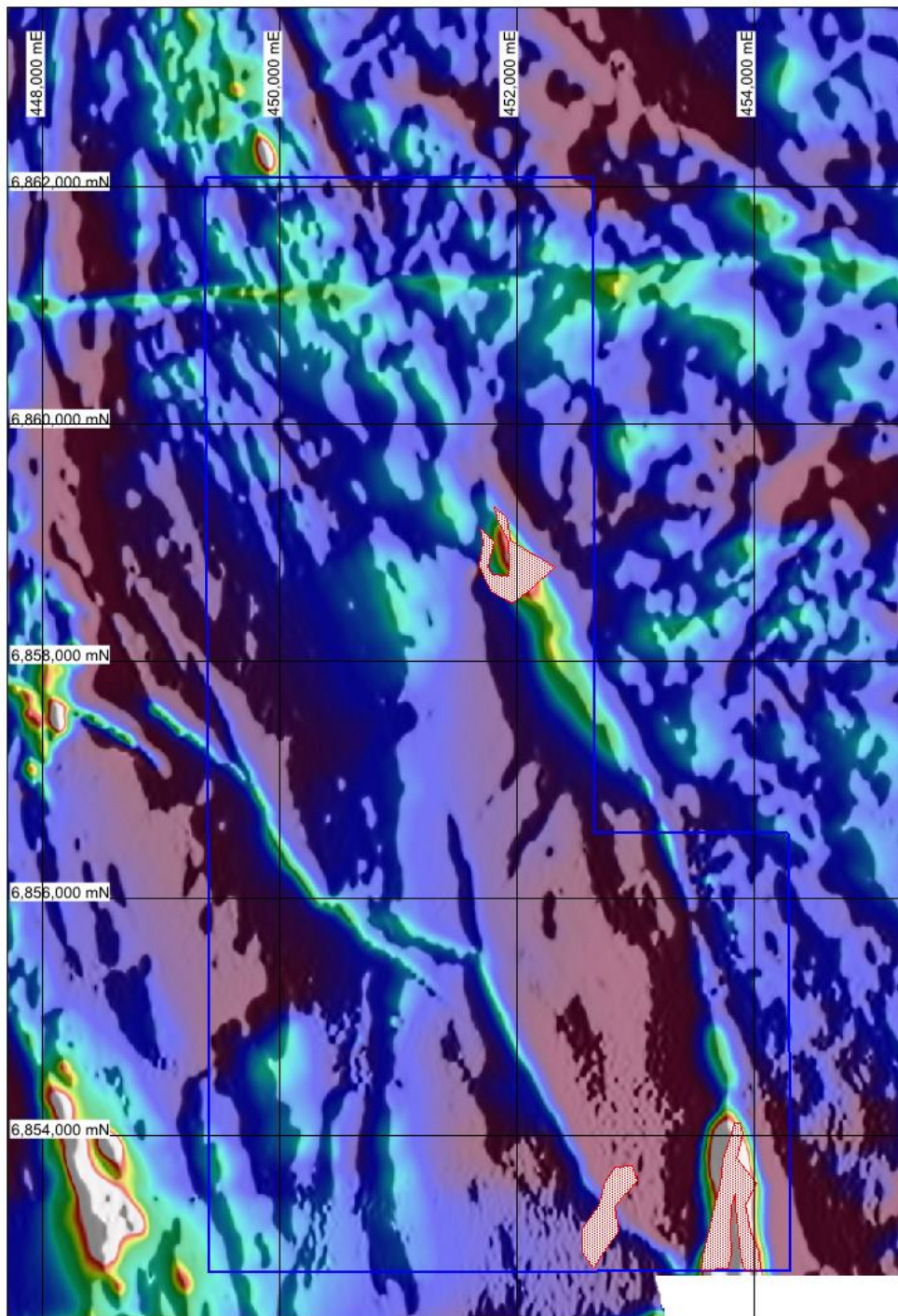


Figure 4 – Nickel Anomalies over TMI

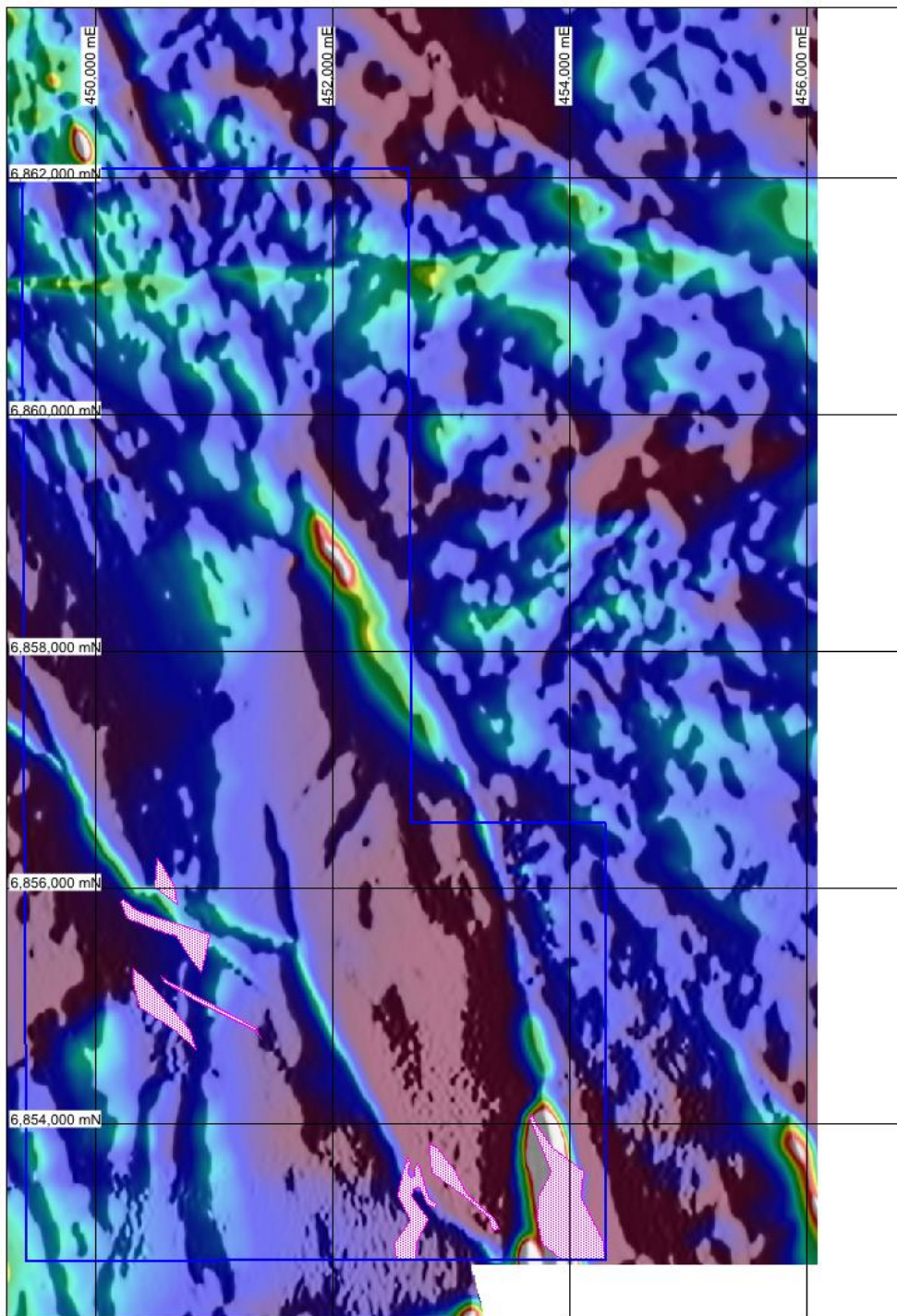


Figure 5 – Copper Anomalies over TMI

## Bonaparte

Subsequent to the quarter end, Victory entered into a Heads of Agreement to acquire a polymetallic asset located on the prolific western margin of the Bonaparte Basin in Western Australia (**Agreement**).

The acquisition known as the Bonaparte Project (**Project**) is a high-grade cobalt, zinc-lead-silver mineralisation with samples of up to 4.1% cobalt in soft rocks. The region has been compared to the high grade deposits within the soft sedimentary host rocks commonly found along the Mississippi River in the US otherwise known as Mississippi Valley-Type (MVT) or in the Leonard shelf in Australia.

Please refer to the announcement dated 18 July 2017 for further details.

### **ASX Listing Rule 5.3.3**

The Company presents the tenement information in Table 1 below in accordance with ASX Listing Rule 5.3.3.

**Table 1: Tenement Information**

Project Name	Location	Tenement Licence	Interest held at 31 March	Interest acquired/disposed of	Interest held at 30 June 2017
Laverton	WA	E38/3075	0%	100%	100%

### **Exploration - Bolivia**

In April 2017, Victory appointed an experienced mining professional Mr Alberto Galvez as its Bolivian Country Manager. Mr Galvez initiated communication with cooperatives (FERECOMINORPO & FENCOMIN) and by the Bolivian state mining company, Corporacion Minera de Bolivia (**COMIBOL**) and clearly communicated Victory's commitment to build a processing plant to produce tin concentrates.

Mr Galvez Identified potential high grade tailing areas in the region for further consideration.

The Company is planning a larger scale follow up sampling program. This is intended to expand on the small scale sampling program at both El Kenko and Catavi undertaken earlier in the year by the Company's Senior Geologist and Non-Executive Director, Mr Peter Peebles travelled to Bolivia to undertake a. The follow up program is expected to take place in the 2<sup>nd</sup> half of 2017.

During this quarter, as part of Mr Galvez's trip to Bolivia, Victory was able to acquire a more thorough understanding of the political, social, environmental and commercial issues that exist in Bolivia; and found that the current socio-political situation in Bolivia is, in general, good for the investment by private foreign companies.

## Corporate Update

### Shareholder Meeting

At the general meeting held 28 April 2017, Victory shareholders approved all resolutions including approval for the issue of attaching options to both the placement subscribers and participants in the share purchase plan, completed in January 2017.

### Milestone Update

During the quarter, Victory and Milestone Sport have entered into an Amendment to the Loan Agreement which includes the following terms:

- The outstanding Loan balance, inclusive of all accrued interest, is reduced to US\$250,000;
- Effective 24 May 2017, an interest rate of 7% applies to the outstanding Loan balance, with interest (only) payable to Victory monthly, for a term of 18 months; and
- Effective 24 November 2018, the Loan principle and interest will be paid to Victory in monthly instalments for a period of 18 months.

**ENDS**

### **For further information please contact:**

Elizabeth Hunt  
Company Secretary

*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.*