

ASX ANNOUNCEMENT

Date: 12 October 2012



JUNGLE WELL HIGH-GRADE RARE EARTH CONFIRMED

Highlights

- Grades up to 8.19% total rare earth oxides ('TREO') from 10 trench samples
- Light REO ('LREO') up to 7.45%
- Heavy REO ('HREO') up to 0.75%

Victory Mines Limited (**ASX:VIC**) is pleased to announce that follow up sampling of trenches has been completed at the Jungle Well rare earths project in Western Australia. Jungle Well is located 150km west of Lynas Corporation's Mt Weld rare earth mine, which hosts the largest rare earth deposit outside of China.

Ten rock chip samples were taken from eight costeans (spanning 80 metres) and returned results ranging from 0.36% to 8.19% TREO. The results reinforce the high-grade nature of the initial target zone identified by Victory Mines Limited.

The rare earth mineralisation appears to be within an ultramafic unit that has intruded into granite. Previous diamond drilling intersected the ultramafic unit at a depth of 25 metres continuing to the end of hole at 30 metres.

Sample ID	JWRC001	JWRC002	JWRC003	JWRC004	JWRC005	JWRC006	JWRC007	JWRC008	JWRC009	JWRC010
La ₂ O ₃ (%)	2.65	0.16	0.13	0.31	0.07	1.21	0.86	1.68	1.51	1.17
Ce ₂ O ₃ (%)	3.28	1.77	0.41	0.87	0.20	2.24	2.00	2.03	3.97	1.75
Pr ₂ O ₃ (%)	0.35	0.03	0.02	0.05	0.01	0.16	0.12	0.24	0.20	0.14
Nd ₂ O ₃ (%)	1.02	0.10	0.06	0.15	0.03	0.55	0.44	0.78	0.60	0.46
Sm ₂ O ₃ ppm	1484	237	117	225	53	978	822	1392	1047	791
Eu ₂ O ₃ ppm	193	45	20	36	8	160	131	215	164	131
Gd ₂ O ₃ ppm	858	237	94	157	38	788	674	1021	783	720
Tb ₂ O ₃ ppm	108	45	15	23	6	114	96	128	123	107
Dy ₂ O ₃ ppm	566	295	83	130	36	642	545	658	712	634
Ho ₂ O ₃ ppm	119	66	16	25	8	131	117	126	147	143
Er ₂ O ₃ ppm	322	206	44	71	23	382	341	328	443	432
Tm ₂ O ₃ ppm	40	31	6	10	3	51	46	41	62	60
Yb ₂ O ₃ ppm	221	201	36	60	20	314	280	231	391	371
Lu ₂ O ₃ ppm	32.1	27.9	5.0	8.0	2.6	45.5	41.2	34.0	56.7	54.4
Y ₂ O ₃ (%)	0.49	0.15	0.05	0.09	0.03	0.41	0.37	0.38	0.46	0.46
U ₃ O ₈ ppm	110	148	56	94	22	95	43	35	102	180
ThO ₂ ppm	40	30	23	43	33	57	43	47	50	57
TREO (%)	8.185	2.358	0.726	1.543	0.360	4.934	4.101	5.532	7.134	4.325
LREO (%)	7.452	2.094	0.640	1.403	0.318	4.257	3.504	4.870	6.387	3.602
HREO (%)	0.732	0.264	0.085	0.140	0.041	0.677	0.97	0.662	0.747	0.724
Light Rare Earth Oxide										
Heavy Rare Earth Oxide										
HREO as % of Total	9%	11%	12%	9%	11%	14%	15%	12%	10%	17%

Table 1: Results of rock chip sampling

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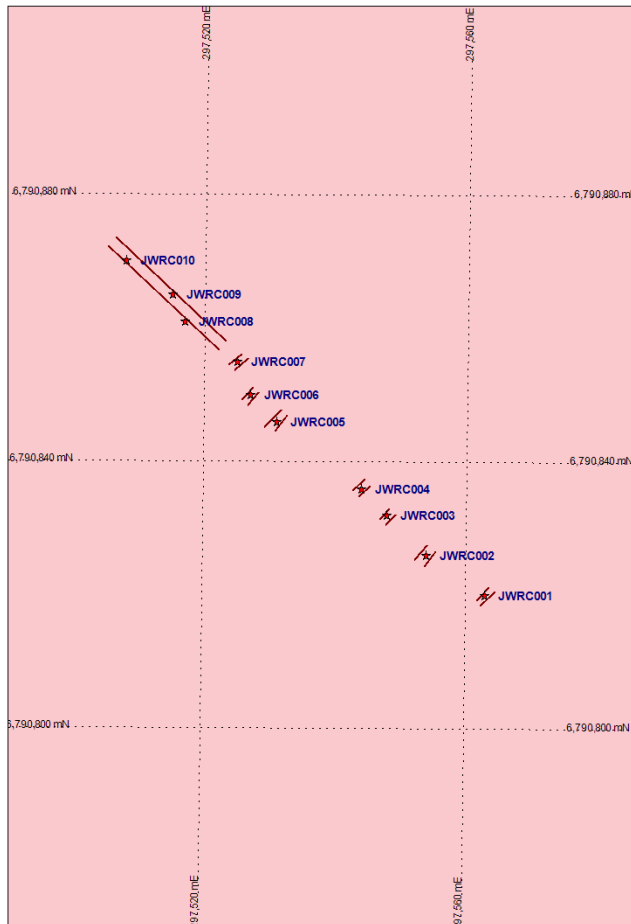


Figure 1 - Location of costeans and samples

Enquiries

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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.

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 the Technical Director of Victory Mines Ltd. 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 2004 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.

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