

ASX ANNOUNCEMENT

Date: 16 January 2013



BROAD ZONES OF NICKEL SULPHIDE MINERALISATION DISCOVERED AT CLARA HILLS HILLS

Highlights

- Nickel sulphide mineralisation intersected in 50% of holes with thick intersections of up to 47 metres plus secondary copper
- Hole CHRC002 encountered 47m @ 0.15% Ni from 36m, including 11m @ 0.30% Ni from 52m
- Hole CHRC003 encountered 42m @ 0.22% Ni from 14m, including 5m @ 0.39% Ni from 38m
- Hole CHRC004 encountered 24m @ 0.25% Ni from 63m, including 6m @ 0.42% Ni from 63m
- Hole CHRC008 encountered 10m @ 0.30% Ni from 13m, including 5m @ 0.42% Ni from 13m plus 1m @ 0.71% Ni from 27m

Victory Mines Limited (ASX: VIC – “Victory” or “the Company”) is pleased to announce that assay results from the Company’s maiden 1,124-metre RC drilling programme at its Clara Hills project in the Kimberley region of Western Australia has delivered broad zones of nickel mineralisation with secondary copper in five of the ten holes drilled.

Enrichment was encountered from near the surface and extended down dip within fresh rock suggesting that high grade extensions may exist. The host rock for Ni-Cu mineralisation is interpreted to be a dolerite dyke which is bounded on both sides by a muscovite mica schist with the target zone being open down dip and along strike of existing drill hole intercepts. This will be methodically tested commencing with downhole electromagnetic (DHTEM) survey and conducting additional EM surveys in the Jack’s Hill area.

Figure 1 shows the stylised geological section interpreted from drill holes CHRC002 and CHRC004.

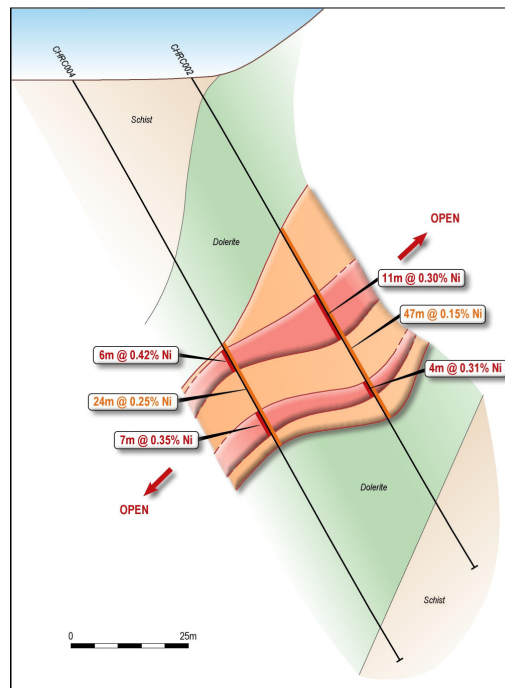


Figure 1: Stylised Section from CHRC002 and CHRC004

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Four of the holes (CHRC007 to CHRC010) were drilled beneath Jacks Hill, an area where high-grade mineralisation was previously encountered within a gossan from rock chip sampling which returned grades up to 22.7% copper, 2.05% Ni and 82.9 g/t Ag as well as highly anomalous results for Au and PGE's. Three holes (CHRC002 to CHRC004) were drilled to test geophysical targets identified through a previous airborne EM survey. The remainder of the holes (CHRC005, 006 and 011) were designed to test potential mineralisation beneath three other mapped gossans.

All holes drilled to test the EM targets encountered widespread mineralisation within dolerite. Hole CHRC002 encountered 47m @ 0.15% Ni, including 11 m @ 0.30% Ni and Hole CHRC003 encountered 42m @0.22% Ni including 5m @ 0.39% Ni, while CHRC004 encountered 24m @ 0.25% Ni including 6m @ 0.42% Ni. Two of the four holes drilled beneath Jacks Hill also encountered anomalous zones of mineralisation.

All holes that were drilled during the Clara Hills programme passed through a sequence of muscovite mica schists before intersecting dolerites, before returning into another sequence of mica schists (Figure 1). The mineralised zones containing nickel and copper were all within the dolerites and were associated with carbonate alteration.

Table 1 details the significant results from the recent drill programme while Figure 2 shows the location of each drill hole.

Hole ID	E GDA94	N GDA94	Dip	Azimuth	EOH	From	To	Interval	Ni %	Cu %
CHRC002	655860	8126550	-60	0	162 including	36	83	47	0.15	
						52	63	11	0.30	0.11
						73	77	4	0.31	0.11
CHRC003	655834	8126570	-60	0	125 including	14	56	42	0.22	
						14	16	2	0.49	0.17
						33	35	2	0.39	0.12
						38	43	5	0.39	0.16
					51	56	5	0.36	0.14	
CHRC004	655870	8126525	-60	0	155 including	63	87	24	0.25	
						63	69	6	0.42	0.15
						79	86	7	0.35	0.13
CHRC005	655989	8126700	-60	35	80	NSR				
CHRC006	655942	8126729	-60	35	80	NSR				
CHRC007	656080	8126610	-60	0	102	NSR				
CHRC008	656045	8126613	-60	0	102 including and	13	23	10	0.30	
						13	18	5	0.42	0.11
						27	28	1	0.71	0.19
CHRC009	656018	8126615	-60	0	84 including	8	21	13	0.15	
						11	13	2	0.36	0.07
CHRC010	655989	8126625	-60	0	84	NSR				
CHRC011	655983	8126664	-60	35	150	NSR				

Table 1: Significant Assay Results (> 0.1% Ni)

Note: NSR means No Significant Results



Figure 2: Drill hole location plan

The Company is diligently working towards creating a thorough plan to ensure the development of the Clara Hills project after receiving what have been very encouraging results from the maiden drilling campaign. Victory remains committed to thoroughly and methodically planning the next steps stage of exploration for the Clara Hills project.

Clara Hills is a joint venture in which Victory has the right to earn up to approximately 63.75%. The joint venture partners include private participants and Proto Resources & Investments Ltd. Victory is the manager and operator of the joint venture.

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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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