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**VICTORY MINES LIMITED**

**ABN 39 151 900 855**

**NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

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**TIME:** 10.00am (WST)  
**DATE:** Friday, 27 November 2020  
**PLACE:** Bennett + Co  
Ground Floor  
28 The Esplanade  
PERTH WA 6000

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

**The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00 pm (WST) on Wednesday, 25 November 2020**

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on [scott@victorymines.com](mailto:scott@victorymines.com).*

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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### AGENDA

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#### REPORTS AND ACCOUNTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020, together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

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#### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### RESOLUTION 2 – ELECTION OF MR ZAFFER SOEMYA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 11.4 of the Constitution and ASX Listing Rule 14.4, Zaffer Soemya, a Director who was appointed casually on 1 October 2020, retires and, being eligible, is elected as a Director.”*

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### RESOLUTION 3 – ISSUE OF OPTIONS TO MR DAVID SANDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue 20,000,000 Options to Mr David Sanders or his nominee on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Mr Sanders and any other person who will obtain a material benefit as a result of the issue of the securities or any associate of those persons. However, the Company need not disregard a vote if (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney, or, (b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote as the Chair decides, or, (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a member of the Key Management Personnel or any closely related party who is appointed as a proxy will not vote on this Resolution if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

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### RESOLUTION 4 – ISSUE OF OPTIONS TO MR MATTHEW BLAKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue 30,000,000 Options to Mr Matthew Blake or his nominee on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Mr Blake and any other person who will obtain a material benefit as a result of the issue of the securities or any associate of those persons. However, the Company need not disregard a vote if (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney, or, (b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote as the Chair decides, or, (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- FOR PERSONAL USE ONLY
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a member of the Key Management Personnel or any closely related party who is appointed as a proxy will not vote on this Resolution if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

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#### **RESOLUTION 5 – ISSUE OF OPTIONS TO MR ZAFFER SOEMYA**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue 5,000,000 Options to Mr Zaffer Soemya or his nominee on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by Mr Soemya and any other person who will obtain a material benefit as a result of the issue of the securities or any associate of those persons. However, the Company need not disregard a vote if (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney, or, (b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote as the Chair decides, or, (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a member of the Key Management Personnel or any closely related party who is appointed as a proxy will not vote on this Resolution if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

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## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, the following resolution, with or without amendment, as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A2 and on the terms and conditions set out in the Explanatory Statement.”*

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## RESOLUTION 7 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to section 327B(1)(b) of the Corporations Act HLB Mann Judd (WA Partnership), who have consented in writing to act as auditor of the Company, be appointed as auditor of the Company.”*

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## QUESTIONS AND COMMENTS

Shareholders will be provided the opportunity to ask questions about or make comments on the management of the Company.

**Dated: 26 October 2020**

**By order of the Board**



**Scott Mison**  
**COMPANY SECRETARY**  
**VICTORY MINES LIMITED**

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## VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

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## VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- send the Proxy Form by post to the Company at PO Box 835, West Perth WA 6872;
- send the Proxy Form by e-mail to the Company Secretary at [scott@victorymines.com](mailto:scott@victorymines.com); or
- send the Proxy Form to the Company's registered office at C/- Bennett + Co, Ground Floor, 28 The Esplanade, Perth WA,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2020 Annual Report to Shareholders unless specifically requested to do so. The Company's 2020 Annual Report is available on its website at [www.victorymines.com](http://www.victorymines.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy***

***You must direct your proxy how to vote*** on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).***

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote by lodging the proxy you ***expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote on this Resolution.

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## 3. RESOLUTION 2 – ELECTION OF MR ZAFFER SOEMYA

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Zaffer Soemya, having been appointed by other Directors on 1 October 2020 in accordance with the Constitution, will retire in accordance with clause 11.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The Board considers Zaffer Soemya to be an independent director.

### 3.1 Qualifications and other material directorships

Mr Soemya graduated from the University of Western Australia with a Bachelor of Engineering degree (Civil) in 1983. He has over 25 years' experience in project management of major infrastructure and mining projects.

Since 2005 he has been the General Manager of a medium-sized engineering company specialising in the installation, maintenance and design of bulk materials handling and processing equipment for the mining industry

In December of 2007 he was appointed as a Director of Oakajee Corporation Ltd and was a key part of the team who successfully listed this company on the ASX in June 2008.

He was also a director of Ezeatm Pty Ltd which was successfully listed on ASX in October 2011.

In 2017 he joined the board of Serena Minerals Ltd as Non- Executive Director. Over this period, Serena Minerals has acquired high quality projects that are drill ready, including gold, base metals and uranium tenements in WA, including the Coogee Project recently acquired by the Company from Serena Minerals.

Mr Soemya was appointed as a Director on 1 October 2020.

The Directors, other than Zaffer Soemya, recommend the election of Zaffer Soemya.

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#### **4. RESOLUTIONS 3 TO 5 – ISSUE OF OPTIONS TO DIRECTORS**

##### **4.1 General**

Resolutions 3 to 5 seeks Shareholder approval in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of a total of 55,000,000 Options to Messrs Sanders, Blake and Soemya (or their nominees).

The Board considers the issue of Options pursuant to Resolutions 3 to 5 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining cash reserves. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Options proposed to be issued will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising those Options.

##### **4.2 Reason Approval Required**

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because Messrs Sanders, Blake and Soemya are Directors and Related Parties of the Company.

Listing Rule 10.11.1 provides that unless one of the exceptions in Listing Rule 10.12 applies a company must not issue or agree to issue equity securities to a Related Party without the approval of shareholders. The proposed issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Pursuant to Listing Rule 7.2 exception 14, where approval under Listing Rule 10.11 is obtained, approval is not required under Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit.

Chapter 2E of the Corporations Act provides that a public company must not provide a financial benefit to a Related Party subject to certain exceptions, including the approval of Shareholders.



If Resolutions 3 to 5 are passed the Company will be able to proceed with the proposed issue of Options to the Directors.

If Resolutions 3 to 5 are not passed the Company will not be able to proceed with the proposed issue of Options to the Directors. There will be no other consequences and the Company's cash reserves will not be impacted.

**4.3 Technical Information Required by Listing Rule 10.13 and Section 219 of the Corporations Act**

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 to 5:

- (a) The Options will be issued to Messrs Sanders, Blake or Soemya who are each related parties of the Company by reason of the fact they are Directors of the Company (or their nominees).
- (b) The total number of Options issued will be 55,000,000.
- (c) The Options will be issued in consideration of Messrs Sanders, Blake or Soemya acting as Directors.
- (d) The Options will be exercisable at \$0.01 each at any time on or before the date that is 3 years after issue.
- (e) The full terms and conditions of the Options are set out in Schedule 1.
- (f) No funds will be raised by the issue of the Options. In the event the Options are exercised the cash raised from exercise of the Options will be used to meet the Company's objectives at that time.
- (g) The Options will be issued no later than one month after the date of the Annual General Meeting.
- (h) The dilutive effect if all of the Options granted are exercised is as follows:

Current Number of Shares on Issue	4,416,321,491
Number of Options to be issued under Resolutions 3 to 5	55,000,000
Dilution effect if Options are exercised and no other Shares are issued	1.2%

- (i) The current relevant interests in securities in the Company of Messrs Sanders, Blake and Soemya are set out below.

Director	Fully Paid Ordinary Shares
David Sanders	27,333,334
Matthew Blake	50,000,000
Zaffer Soemya	5,000,000

(j) The current remuneration of each of the Directors is as follows:

Mr Sanders is entitled to Directors' fees of \$60,000 per annum as Non-executive Chairman.

Mr Blake is entitled to remuneration of \$60,000 per annum as Executive Director.

Mr Soemya is entitled to Directors' fees \$36,000 per annum as Non-executive Director.

(k) Historical Share price for Shares traded on ASX for the last three months prior to the date of lodgement of this Explanatory Statement with ASIC is as follows:

	Price	Date
<b>Highest</b>	\$0.0055	14 September 2020
<b>Lowest</b>	\$0.001	2 September 2020
<b>Last</b>	\$0.003	9 October 2020

(l) On the basis of the assumptions below the Company has determined the economic value of one Option is approximately \$0.002. This valuation imputes a total value of \$110,000 to the Options, representing \$40,000 for Mr Sanders, \$60,000 for Mr Blake and \$10,000 for Mr Soemya.

The value may go up or down after that date as it will depend on the future price of a Share.

Black & Scholes methodology has been used, together with the following assumptions:

- interest rate set at 1.10% which is based on indicative rate of the capital market bonds by the Reserve bank of Australia for a similar term;
- the date of valuation for the purposes of settling the current market value of a Share is 9 October 2020;
- at this date the Share price was A\$0.003 which is the price used in the valuation;
- the exercise price of \$0.01;
- volatility of 150%; and
- an Option term of 3 years.

(m) There is no cash cost to the Company in issuing the Options. The market price of Shares would normally determine whether the Directors will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

(n) A voting exclusion statement for each of Resolutions 3 to 5 is included in the Notice of Meeting.

(o) Each of the Directors has an interest in one of Resolutions 3 to 5 and therefore believe it inappropriate to make a recommendation in relation to any of Resolutions 3 to 5.

- (p) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 3 to 5.

#### 4.4 Proxy Voting Restrictions

Shareholders appointing a proxy for Resolutions 3 to 5 should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

*You must direct your proxy how to vote on this Resolution.* Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):***

*You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you **will be expressly authorising the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy:***

*You **do not** need to direct your proxy how to vote on this Resolution.*

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## 5. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

### 5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$13,240,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 October 2020).

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being shares (ASX Code: VIC) and options (ASX Code: VICOA).

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

If Shareholders approve this Resolution, the exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Shareholders do not approve this Resolution, the Company will not be able to issue any Equity Securities pursuant to the 10% Placement Capacity.

## 5.2 Information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

### (a) Period for Which Approval Valid

Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

### (10% Placement Capacity Period).

### (b) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 5.2(b)(i), the date on which the Equity Securities are issued.

### (c) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity to raise funds for an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current or future assets and/or general working capital.

(d) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the number of Equity Securities on issue as at 9 October 2020 and the issue price of \$0.003 which was the market closing price as at 9 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.0015 50% decrease in issue price	\$0.003 issue price	\$0.006 100% increase in issue price
Current Variable "A" 4,416,321,491 Shares	10% voting dilution	441,632,149 Shares	441,632,149 Shares	441,632,149 Shares
	Funds raised	\$662,448	\$1,324,896	\$2,649,793
50% Increase in current Variable "A" 6,624,482,237 Shares	10% voting dilution	662,448,224 Shares	662,448,224 Shares	662,448,224 Shares
	Funds raised	\$993,672	\$1,987,345	\$3,974,689
100% Increase in current Variable "A" 8,832,642,982 Shares	10% voting dilution	883,264,298 Shares	883,264,298 Shares	883,264,298 Shares
	Funds raised	\$1,324,896	\$2,649,793	\$5,299,586

The table has been prepared on the following assumptions:

1. 4,416,321,491 Shares on issue.
2. The issue price set out above is \$0.003 being the closing market price of the Shares on ASX on 9 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to Shares issued other than under ASX Listing Rule 7.1A.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (i) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 10% Placement Capacity**

No recipients of any Equity Securities to be issued under the 10% Placement Capacity have yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), but not related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous issues under ASX Listing Rule 7.1A**

The Company obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its last annual general meeting held on 26 November 2019 (**Previous Approval**).

The Company has issued a total of 299,665,482 Shares under the Previous Approval since its last annual general meeting.

Details of the Shares issued are set out in Schedule 2.

### 5.3 **Directors recommendations**

The Board recommends Shareholders vote in favour of this Resolution as it provides the Company with the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months without Shareholder approval.

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**6. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

The Company's previous auditor, Bentleys Audit & Corporate (WA) Pty Ltd, applied to ASIC for consent to its resignation as auditor of the Company, which resignation took effect in January 2020. As a consequence of the resignation, the Board appointed HLB Mann Judd (WA Partnership) as auditor of the Company pursuant to section 327C(1) of the Corporations Act. Pursuant to section 327C(2) of the Corporations Act this appointment expires at the Annual General Meeting and accordingly there will be a vacancy in the office of auditor.

Section 327B(1) provides that a company shall at each Annual General Meeting, if there is a vacancy in the office of auditor of the company, appoint a person, firm or company to fill the vacancy.

David Grant Sanders, a member of the Company, has nominated the firm HLB Mann Judd (WA Partnership) as auditor of the Company pursuant to sub-section 328B(1) of the Corporations Act. HLB Mann Judd (WA Partnership) are eligible and have consented to be appointed as auditor of the Company as required by sub-section 328A(1) of the Corporations Act. Pursuant to sub-section 328B(3) of the Corporations Act the written notice nominating HLB Mann Judd (WA Partnership) as auditor is *attached* to this Explanatory Memorandum as an annexure.

The Board recommends the re-appointment of HLB Mann Judd (WA Partnership) as the auditor of the Company.

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## GLOSSARY

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**2020 Annual Report** means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2020, which can be downloaded from the Company's website at [www.victorymines.com](http://www.victorymines.com).

**Annual General Meeting** or **Meeting** means the Annual General Meeting of the Company convened by this Notice of Meeting.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

**Business Day** means Monday to Wednesday inclusive, except New Year's Day, Good Wednesday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Victory Mines** means Victory Mines Limited (ABN 39 151 900 855).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Security** means a share, a right to an issued or unissued share, an option over an issued or unissued share, a convertible security, or, any security that ASX decides to classify as an equity security.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.



**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this Notice of the Annual General Meeting including the Explanatory Statement and Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means that section of the Directors' report under the heading "Remuneration Report" set out in the 2020 Annual Report.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time, as observed in Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on the third anniversary of the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under clause e for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are not transferable without the consent of the Board.

**SCHEDULE 2 – ISSUES OF EQUITY SECURITIES PURSUANT TO LISTING RULE 7.1A**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Consideration
07.07.2020	299,665,482	Shares <sup>2</sup>	Sophisticated investor clients of Shaw and Partner	\$0.001 per Share (being a discount to Market Price of 0%)	Amount raised = \$299,665 Amount spent = \$20,413 Use of funds = To raise funds for the exploration of the Coogee Gold Project and other projects. Proposed expenditure of balance <sup>3</sup> : Exploration of Coogee Gold Project and other projects and working capital.

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: VIC (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

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**ANNEXURE – NOMINATION OF AUDITOR**

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12 October 2020

The Board of Directors  
Victory Mines  
C/- Bennett + Co  
Ground Floor  
28 The Esplanade  
PERTH WA 6000

I, David Grant Sanders, being a member of Victory Mines Limited ACN 151 900 855 (Company) nominate HLB Mann Judd (WA Partnership) in accordance with section 328B(1) of the Corporations Act fill the office of the auditor of the Company.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Corporations Act.



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**DAVID GRANT SANDERS**

FOR PERSONAL USE ONLY

**APPOINTMENT OF PROXY FORM**

**VICTORY MINES LIMITED  
ABN 39 151 900 855**

**ANNUAL GENERAL MEETING**

I /We

of:

being a Shareholder of Victory Mines Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name:

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the Annual General Meeting to be held at Bennett + Co, Ground Floor, 28 The Esplanade, Perth at 10.00am WST on Friday, 27 November 2020 and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3, 4 and 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which may include the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions.

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Mr Zaffer Soemya	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Options to Mr David Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Options to Mr Matthew Blake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Options to Mr Zaffer Soemya	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Appointment of New Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:**

**Contact name:**

**Contact telephone (daytime):**

**E-mail address:**

**Consent for contact by e-mail in relation to this Proxy Form:**

YES  NO

## VICTORY MINES LIMITED

ABN 39 151 900 855

### Instructions for Completing "Appointment of Proxy" Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) send the Proxy Form by post to the Company at PO Box 835, West Perth WA 6872;
  - (b) send the Proxy Form by e-mail to the Company at [scott@victorymines.com](mailto:scott@victorymines.com); or
  - (c) send the Proxy Form to the Company's registered office at C/- Bennett + Co, Ground Floor, 28 The Esplanade, Perth WA,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**