

## Company Update

Victory Mines Limited (ASX: VIC) (“the Company”) provides the following update to the market.

### **Suspension Update**

On 11 December 2018, the Company advised that ASX will not permit the suspension in trading of Company’s securities to be lifted until such time as ASX’s concerns with respect to the affairs of Hardey Resources Limited (ASX:HDY) have been resolved to ASX’s satisfaction.

Subsequent to this and other related announcements (see ASX announcements 23 November 2018, 11 December 2018, and 9 January 2019), the Company has terminated its mandate with EverBlu Capital (ASX 18 January 2019), replaced its Company Secretary (ASX 25 January 2019) and its entire Board of Directors (ASX 31 January 2019). ASX has confirmed that in the light of the matters set out in these recent announcements that ASX has no further queries for the Company.

The Company is therefore pleased to announce that with the release of this announcement the Company intends to recommence trading on ASX.

### **Proposed Capital Raising**

As previously announced (ASX announcement 15 January 2019), the Company is currently assessing several options to raise capital.

The Company plans to raise capital in two stages.

Initially, the Company has received commitments for short term loan funding of \$200,000 that will convert to equity at a conversion price of 0.3 cents per share on lodgment by the Company of a Prospectus. The lenders will also be entitled to one option for every one share issued exercisable at 0.3 cents with an expiry date three years after the date of issue, in lieu of interest on the loans. The options will be issued out of the Company’s Listing Rule 7.1 placement capacity and the shares will be issued out of any shortfall from the proposed Rights Issue, or in the absence of shortfall out of the Company’s Listing Rule 7.1 placement capacity. The money raised through this process will be used to pay both existing creditors and the costs of preparation of a Prospectus for the second stage of capital raising.

The second stage in the capital raising plan is a Rights Issue. The Rights Issue will be undertaken on the basis of one new share for every three shares held at the record date at a price of 0.3 cents per share to raise approximately \$1.2 million before costs. The Company intends to arrange underwriting for all or part of the Rights Issue. The Company believes that this is the most equitable capital raising option, as it enables those shareholders who have endured this suspension to participate further in the Company’s growth.

Funds raised through the Rights Issue will be used to commence the previously announced exploration campaign as soon as possible as well as ongoing working capital.

**Exploration Update**

The Board is confident that the Company will raise sufficient capital to enable the rapid commencement of the drilling programme at the Husky and Malamute projects in New South Wales (see ASX 12 December 2018 for details). In addition, the Company is assessing exploration plans for the Galah Well, Peperill Hill, and Bonaparte projects in Western Australia and considering options for the Bolivia Tin Operations.

**Continuous Disclosure**

The Board of Directors confirms that the Company is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and looks forward to providing further information on the Company's recommencement of ASX trading, capital raising, and exploration plans.

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For more information, please contact:

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