



## Strategic Review: Priority Exploration Plans Formulated

### Highlights:

- Strategic asset review undertaken – factoring in cyclical situation for nickel (+ve), gold (+ve), cobalt (-ve) & scandium (-ve) – focused on optimal decisions to maximise shareholder value
- Previously announced drilling campaign for Husky / Malamute projects<sup>1</sup> (NSW) moderated to circa 40 holes / 2,000m and re-focused to deliver higher impact results at lower overall cost
- Improving macro outlook for nickel materially enhances exploration upside for Galah Well / Peperill Hill projects in WA's goldfields – geology consultant set to make inaugural field trip to assess known-priority target areas
- Previous exploration uncovered 14 test drill targets for copper anomalism at the Bonaparte project in the Kimberley region in WA – the Board is seeking a partner to develop the asset
- The Board is targeting to rationalise the non-core Laverton gold and Bolivia tin projects by year-end
- Finalising commitments from investors for a capital raising so exploration activities can recommence

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**Non-Executive Director Rohan Dalziell commented:** *“The objective of the strategic asset review was to set a clear agenda, with specific targets to achieve over the balance of the calendar year. More importantly, the Board aims to secure further funding as soon as possible so exploration activities can recommence. Taking note of the current cycle, we have refined the drilling campaign for Husky & Malamute to focus on high-impact results to expedite decisions on next steps. Furthermore, we are sending our geology consultant to Galah Well & Peperill Hill projects in WA's goldfields to assess known-targets then formulate a more comprehensive exploration program. The Board looks forward to updating shareholders as we move to execute the strategic plan.”*

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**Victory Mines Limited's Board (ASX: VIC) (“VIC” or “the Company”)** recently undertook a strategic review which focused on asset optimisation priorities and formulating forward exploration plans. The key decisions are outlined below:

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<sup>1</sup>See VIC ASX Release 5 April 2019

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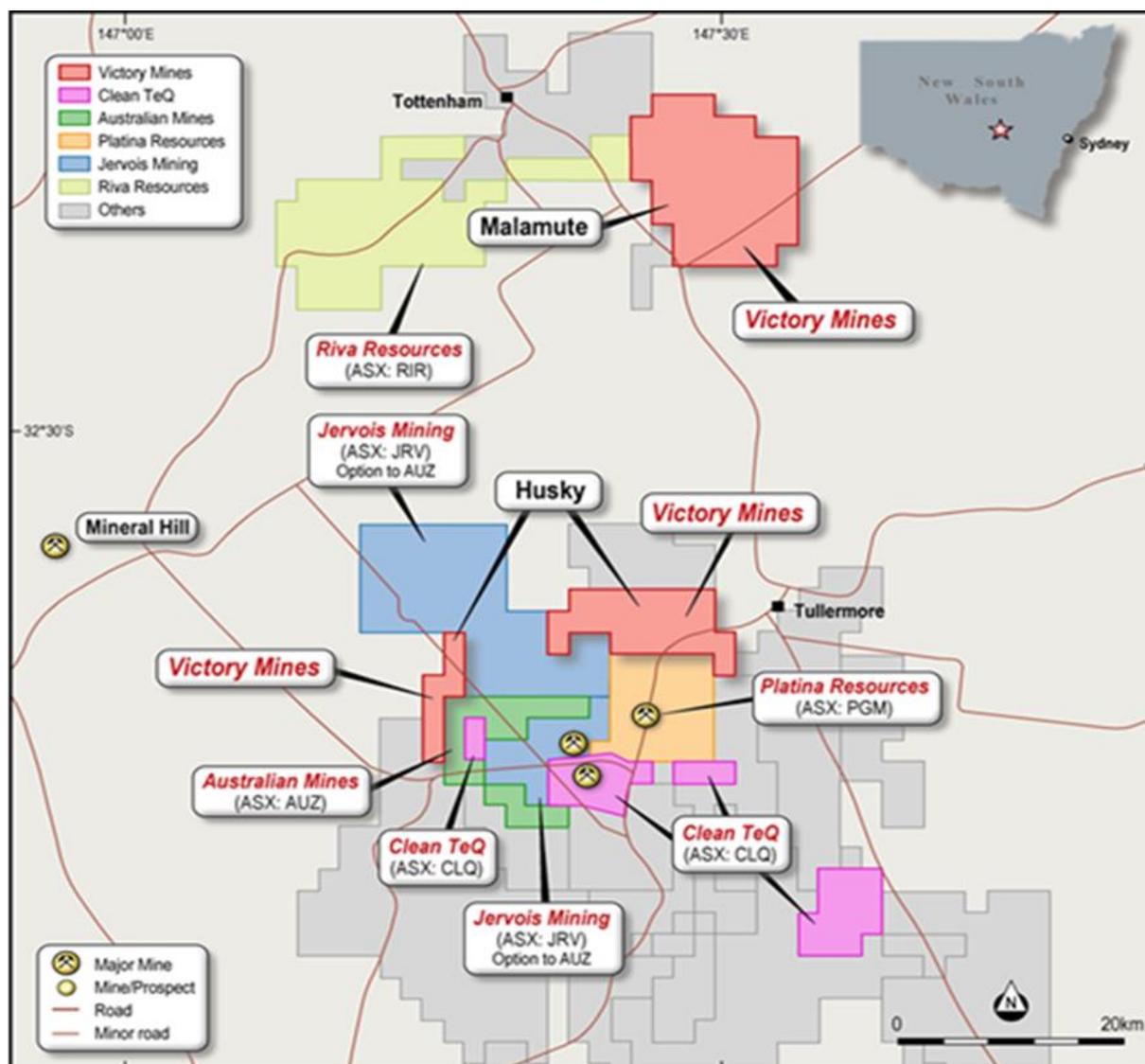
### STRATEGIC ASSET REVIEW

Since the completion of the Rights Offer in May the Board has undertaken a strategic review to prioritise exploration plans for core assets and expedite the process to rationalise non-core holdings.

#### Husky & Malamute, NSW

The Board remains committed to drill testing Husky & Malamute (Figure 1), however, due to cobalt & scandium demand being relatively weak globally the previously announced plans<sup>2</sup> are being sharply scaled back. As such, the revised drilling campaign has been cut 60% to 40 holes (2,000m) and designed to deliver higher impact results at lower overall cost ranging from \$100-120k (versus \$250k previously).

FIGURE 1: HUSKY & MALAMUTE PROJECTS VS PEERS IN CENTRAL NSW



Source: VIC geology team

<sup>2</sup> VIC ASX Release 5 April 2019

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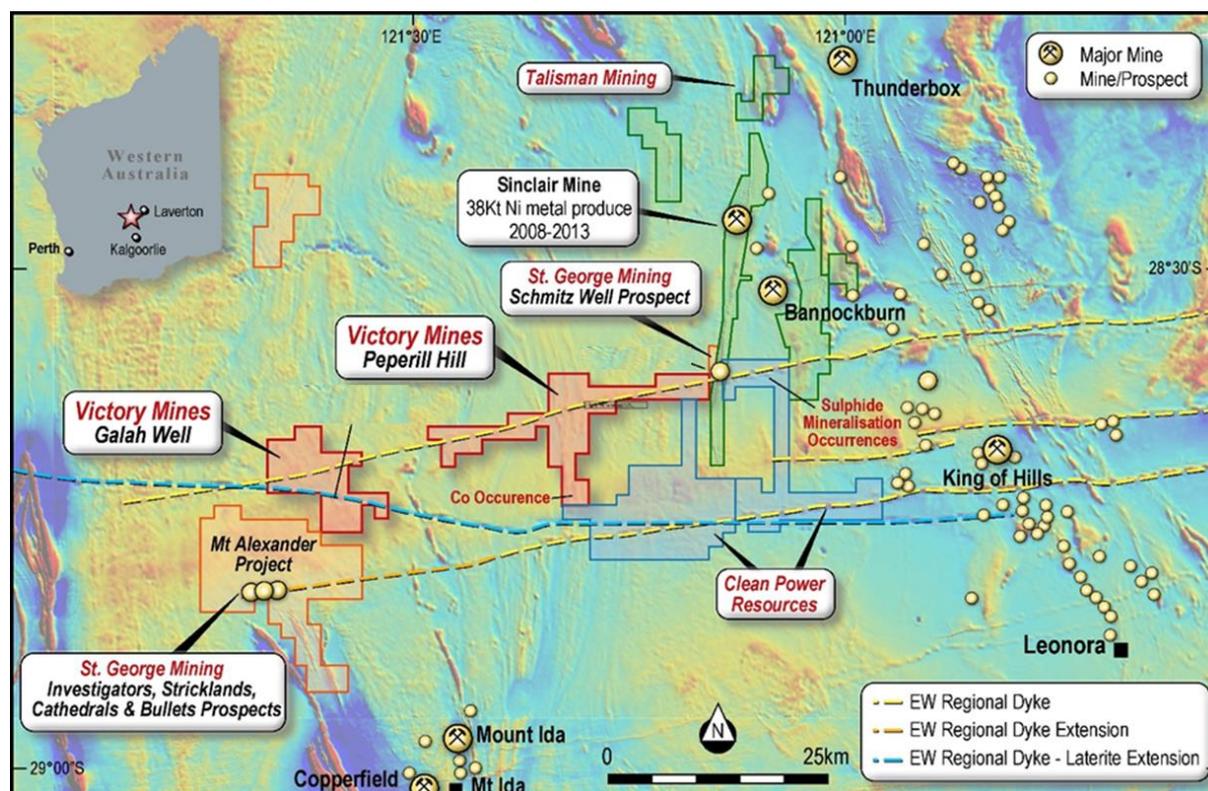
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The Board anticipates this drilling program can be conducted during the current quarter subject to raising capital. Once the assays are returned and analysed, a determination will be made on whether to progress the exploration campaign to the next level.

### Galah Well & Peperill Hill, Goldfields WA

The Galah Well & Peperill Hill projects are located in a region which is highly prospective for nickel-copper mineralisation (Figure 2). Notably, St George Mining (ASX: SQG) has been successfully developing its Mt Alexander nickel-copper project<sup>3</sup> and achieving respectable drilling results, while Talisman's (ASX: TLM) Sinclair Mine produced 38,000t of nickel<sup>4</sup> between 2008-13.

**FIGURE 2: GALAH WELL & PEPPERILL HILL PROJECTS VS PEERS IN WA GOLDFIELDS**



Source: VIC geology team

Previous desktop studies<sup>5</sup>, which analysed aero-magnetic imagery, highlighted that Peperill Hill and Galah Well are close to where two (and possibly three) differing mineralised systems intersect. Consequently, this largely explains why the projects are highly prospective for nickel-copper hosted within sulphide and laterite mineralisation.

As can be seen in Figure 2 above, there is a north-south trending magnetic anomaly, likely a shear zone, connecting TLM's Sinclair Mine with the Schmitz Well prospect. The Peperill Hill project contains

<sup>3</sup> SGQ ASX Release – 20 November 2018

<sup>4</sup> TLM Annual Report 2015 – 30 September 2015

<sup>5</sup> VIC ASX Release 27 July 2018

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several similar north-south trending structures which are prospective for lateritic nickel mineralisation.

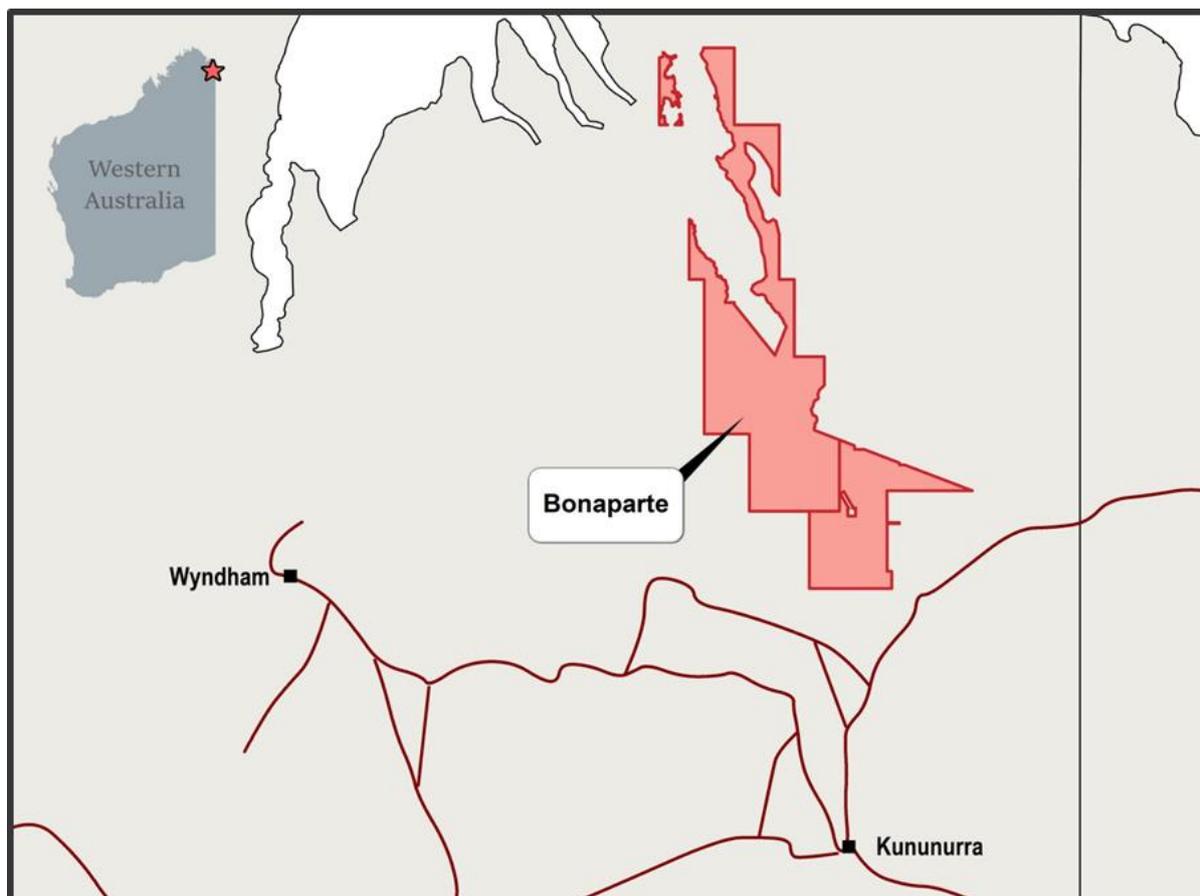
Further, there are a series of east-west structures – known as Proterozoic dykes of the Widgiemooltha Supersuite – that intersect both projects and are prospective for nickel-copper sulphide mineralisation.

With both projects clearly delivering exploration upside for nickel-copper mineralisation, VIC's geology consultant has been contracted to make an inaugural site visit to commence mapping & sampling known-priority target areas. This visit is timely given growing global demand for nickel primarily from the expanding electric vehicle sector.

### **Bonaparte, Kimberley region, WA**

Previous gravity survey work undertaken at the Bonaparte project (Figure 3) has verified there are 14 specific targets for copper anomalism that reconcile with historic rock-chip samples. As a core project with clear exploration upside, the Board is seeking a strategic partner to further develop the Bonaparte project.

**FIGURE 3: BONAPARTE PROJECT**



Source: VIC geology team

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### Non-core assets

There are two non-core assets:

- **Bolivian tin** : Although the Company's Bolivian tin project has no value ascribed to it in the financial statements, the Company holds significant exploration data in relation to the project which may be of value to any party who wishes to develop the project ; and
- **Laverton told tenure**: An internal desktop study highlighted there are anomalous historic geochemical results and geological structures within the project area that confirm prospectivity for gold-nickel-copper mineralisation.

The Board has reaffirmed both projects are to be rationalised before year-end if possible.

### Next steps

The immediate priority is to secure further funding so exploration activities at Husky/ Malamute and Galah Well/Peperill Hill can commence.

### For and on behalf of the Board

**Rohan Dalziell**  
Director

### INVESTOR RELATIONS

Please visit our website for more information: [www.victorymines.com](http://www.victorymines.com)

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Contact Dane Etheridge, Company Secretary: +618 9482 0506

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