



PROSPECTUS

VICTORY MINES LIMITED

ACN 151 900 855

For the offer of up to 1,000,000 Shares in the capital of the Company at an issue price of \$0.001 per Share to raise up to \$1,000 (before expenses) (**Offer**)

This Prospectus has been prepared for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

David Grant Sanders (Non-Executive Director)

Alec Christopher Pismiris (Non-Executive Director)

Matthew James Blake (Non-Executive Director)

Company Secretary

Scott Mison

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2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Lodgement of Prospectus with the ASIC and ASX	19 December 2019
Opening Date	19 December 2019
Closing Date*	24 December 2019

**The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*

2.2 Important Notes

This Prospectus is dated 19 December 2019 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors investors should be aware of are set out in section 6 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.6 Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

2.7 Rounding

Fractional entitlements will be rounded up to the nearest whole number. All references to numbers of Securities to be issued pursuant to this Prospectus are expressed subject to rounding.

3. DETAILS OF THE OFFERS

3.1 The Offer

Pursuant to this Prospectus and for the purposes of section 708A(11) of the Corporations Act (see section 3.4 below), the Company invites investors identified by the Directors to apply for up to 1,000,000 Shares at an issue price of \$0.001 per Share to raise up to \$1,000 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Purpose of the Offer

The Company has agreed to issue Shares without disclosure under Chapter 6D of the Corporations Act.

The purpose of this Prospectus is to remove any trading restrictions that may otherwise attach to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

3.6 Underwriting

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Issue of Shares

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offer does not, and is not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

3.11 Enquiries

Any questions concerning the Offer should be directed to Alec Pismiris, Director, on +61 402 212 532 or by email to contact@victorymines.com.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date.

Under the Offer, an amount of up to \$1,000 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to section 7.7 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company assuming the Offer is fully subscribed is set out below.

Ordinary Shares

	Number
Shares currently on issue	2,958,464,348
Shares offered pursuant to Offer	1,000,000
Shares to be issued to Directors and former Director	30,000,000
Shares to be issued on conversion of Performance Shares	142,857,143
Total Shares on issue after completion of the Offer	3,132,321,491

For the sake of completeness the Company notes that in addition to the Shares referred to above the Company also intends to issue the following Options prior to the Closing Date

- (a) 175,000,000 Options exercisable at \$0.002 expiring 5 years after the date issued to sophisticated investors identified by the Company and its corporate advisers to be issued following Shareholder approval at the Company's 2019 AGM.
- (b) 71,428,572 Options exercisable at \$0.02 on or before 28 December 2020 to be issued on conversion of Performance Shares.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attached to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (c) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (d) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- (e) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held.

Dividend rights

Subject to the rights of persons (if any) holding any shares with special rights to dividend, the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend.

The Directors may from time to time authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified. The Directors may, before declaring any dividend, set aside any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the Company's profits may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Directors may in their absolute discretion establish on such terms and conditions as they think fit:

- (a) plans (to be called a "dividend reinvestment plan" or an "interest reinvestment plan" as the case may be) for cash dividends paid by the Company in respect of shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for shares in the Company; and
- (b) a plan (to be called a "dividend election plan") permitting holders of shares to the extent that his shares are fully paid up, to have the option to elect to

forego his right to share in any dividends (whether interim or otherwise) payable in respect of such shares and to receive instead an issue of shares credited as fully paid up to the extent as determined by the Directors.

Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the Company's property, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of, or failure to observe the provisions of, a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

Future increase in capital

The issue of any new Shares is under the Directors' control. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they think fit.

Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by special resolution passed at a separate meeting of the holders of the shares of that class.

Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Investment Specific Risks

(a) Stock market fluctuations and economic conditions

The Shares to be issued under this Prospectus will be quoted on the ASX. The price of Shares may rise or fall and there is no guarantee in respect of profitability, dividends, return of capital, or the price at which the Shares may trade on the ASX.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors include, but are not limited to:

- (a) the demand for and availability of Shares;
- (b) movements in domestic interest rates;
- (c) exchange rates;
- (d) general and domestic economic activity; and
- (e) fluctuations in the Australian and international stock markets.

Returns from an investment from the Shares may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that there will be an active market in the Shares.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin the projected growth of the Company's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, amongst others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

(b) Liquidity of Shares

There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in a market price being received which is less than the price that Shareholders paid to acquire their Shares.

(c) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of subscribing for Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

6.3 Company Specific Risks

(a) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the success of the Company's exploration programs and the Company's ability to generate funds from disposal of non-core projects, the Company expects that it will require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(b) Exploration success

The future profitability of the Company and the value of its Securities are directly related to the results of exploration. The exploration tenements held by the Company are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the Company's control.

The Company's success will also depend upon the Company having access to sufficient development capital including from prospective joint venture partners, being able to maintain title to its tenements and obtaining all

required approvals for its activities. In the event that exploration programs prove to be unsuccessful, this could lead to diminution in the value of the Company's tenements, a reduction in the cash reserves of the Company and possible relinquishment of tenements.

The Company's exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may be materially different to these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) Asset joint ventures or divestment

The Company is looking for opportunities to form a joint venture to develop its Bonaparte project and buyers to divest its Laverton project. There is no assurance the Company will be able to find a joint venture partner to develop the Bonaparte project or a purchaser to acquire the Laverton project in which case the Company will need to fund further exploration in relation to these projects if it wishes to retain the projects.

(d) Bolivian project risk

The Company's Bolivian tin project has no value ascribed to it in the Company's financial statements, in circumstances where the Company does not hold any tenements or equivalent mineral rights in Bolivia in relation to the project. Whilst the Company has significant exploration data in relation to the Bolivian tin project which the Company believes will be of value to any party who wishes to develop the project, there is no guarantee that the Company will be able to find a third party who is interested in either purchasing the Company's data or entering into some other form of commercial arrangement to enable the Company to receive any economic return in relation to the project.

(e) Resource estimates

No resource estimates have been released in relation to any of the Company's projects. Any resource estimates that may be released in the future will be expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretation, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

(f) Commodity price volatility

If the Company achieves exploration success leading to mineral production, the Company's financial performance will be sensitive to the relevant commodity price. Commodity prices are affected by numerous factors and events that are beyond the Company's control. These factors and events include general economic activity, world demand, forward selling activity, cost of production and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If the relevant commodity price should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down the value of the projects and may have a material adverse effect on the Company's production, earnings and financial position.

(g) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its key personnel, which is currently restricted to the Directors who are all non-executive Directors and the Company Secretary. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these officers resign from their office.

6.4 Industry Specific Risks

(a) Environmental

The Company's operations and proposed activities in Australia are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations will become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

(b) Australian tenure risks and native title

Interest in tenements in Australia is governed by the respective state legislation and is evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(c) Safety legislation

Current and future mines are subject to a range of safety legislation which may change in a manner that may include requirements in addition to those now in effect, and a heightened degree of responsibility for companies and their directors and employees.

(d) Industry and commodity cycles

The demand for, and price of, metals is highly dependent on a variety of factors, including international supply and demand, actions taken by governments, and global economic and political developments. Adverse changes in market sentiment or conditions could lead to a reduction in the value of the Company's assets that are outside of the Company's control.

6.5 General Risks

(a) Investment risks

As with any stock market investment, there are various risks associated with investing in the Company, specifically because of the nature of the Company's exploration business. Potential investors should consider whether the Securities offered under this Prospectus are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in this section. Many of these risk factors are outside the Directors' control. Whilst some common risk factors are set out in this section, it is not possible to produce an exhaustive list.

(b) Adverse changes to government policy and taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the assets, operations and ultimately the Company's financial performance. These factors may ultimately affect the Company's financial performance and the value of the Securities.

(c) Insurance risks

The Company's operations are insured in accordance with industry practice however in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or not fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration is not always available and where available the costs can be prohibitive.

(d) Claims, liability and litigation

Although the Company is not currently involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, the risk of litigation remains a general risk to the Company. The Company may incur costs in making payments to settle any such claims which may not be adequately covered by insurance or at all. Such payment may have an adverse impact on the Company's financial position.

(e) Competition risk

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the value of the Company's projects.

6.6 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations and documents available for inspection

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three (3) months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC; and
 - (ii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual

financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours. Copies of all documents released to ASX are also available on the ASX website at www.asx.com.au and the Company's website at www.victorymines.com.au.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
25/09/2019	Appendix 4G and Corporate Governance Statement
25/09/2019	Non-Renounceable Issue Prospectus
25/09/2019	Appendix 3B
26/09/2019	Letter to Optionholders
27/09/2019	Letter to Ineligible Shareholders
27/09/2019	Letter to Eligible Shareholders
07/10/2019	Despatch of Rights Issue Offer Documents
08/10/2019	Malamute Drilling To Commence
14/10/2019	Field Reconnaissance Program Commenced
21/10/2019	Close of Rights Issue and Shortfall Notification
23/10/2019	Matthew Blake joins Victory Board
23/10/2019	Revised Shortfall Notification
25/10/2019	Initial Director's Interest Notice - M Blake
25/10/2019	Change of Director's Interest x 2 Sanders and Pismiris
25/10/2019	Notice of Annual General Meeting/Proxy Form
28/10/2019	Preliminary WA Reconnaissance Results
29/10/2019	Rights Issue Fully Subscribed
30/10/2019	Quarterly Activities Report
30/10/2019	Quarterly Cashflow Report
25/11/2019	Trading Halt
26/11/2019	Expiration of Unlisted Options
26/11/2019	Results of Meeting

Date	Description of Announcement
26/11/2019	Director Resignation and Appendix 3Z
26/11/2019	Constitution
27/11/2019	Voluntary Suspension
02/12/2019	Malamute Project Drilling Results
02/12/2019	Reinstatement to Official Quotation
03/12/2019	Change of Company Secretary and Registered Office
04/12/2019	Results of recent field reconnaissance program

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing sale prices of the Shares on ASX during the 3 month period preceding the date of this Prospectus and the respective dates of those sales were:

Highest	\$0.002	11 December 2019
Lowest	\$0.001	18 December 2019
Last	\$0.001	18 December 2019

7.4 Interests of Directors and proposed Director

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (a) its formation or promotion; or
 - (b) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (a) the formation or promotion of the Company; or
 - (b) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, both direct and indirect is set out in the table below.

Director	Shares	Options	Performance Shares
David Sanders	17,333,334 ¹	NIL	NIL
Alec Pismiris	20,000,000 ¹	NIL	NIL
Matthew Blake	NIL	NIL	NIL

1. Mr Sanders and Mr Pismiris (or their nominees) are also entitled to be issued an additional 10,000,000 Shares each in lieu of payment of directors fees as approved at the Company's 2019 AGM.

Remuneration

Each of the Directors are non-executive directors and are currently entitled to annual directors' fees of \$36,000.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as options and performance rights, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling and other expenses incurred by them in or about the performance of their duties as Directors.

7.5 Interests of experts, advisers and underwriter

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (a) its formation or promotion; or
 - (b) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (a) the Offer.

Bennett + Co has acted as the solicitors to the Company in relation to the Offer. Bennett + Co has assisted the Company in relation to preparation of the Prospectus and the due diligence process undertaken with respect to the Prospectus. The Company estimates it will pay Bennett + Co approximately \$2,000 (plus GST and disbursements) for these services.

7.6 Consents

Bennett + Co has given its written consent to being named as the solicitors to the Company in this Prospectus. Bennett + Co has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bennett + Co:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of Bennett + Co as specified in this section.

7.7 Expenses of the Offers

	\$
ASIC fees	\$3,206
Legal fees	\$2,000
Total	<u>\$5,206</u>

7.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 (0) 402 212 532 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.victorymines.com. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable foundation to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10 CHES and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an Application for Securities, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

CHES means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless altered).

Company means Victory Mines Limited ACN 151 900 855.

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Application Form means the application form accompanying this Prospectus.

Offer means the offer made pursuant to this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Performance Shares means performance shares in the Company to be converted into Shares and Options prior to the Closing Date following the satisfaction of the performance milestone applicable to the Shares.

Prospectus means this prospectus.

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

Shareholder means a holder of a Share.