

Activities Report for the Quarter Ended 31 March 2020

Highlights

- **Metallurgical test-work on samples from Malamute drilling campaign to determine the potential for alumina to be processed into High Purity Alumina**
- **Commenced regional soils program at the Galah Well (E29/1023) and Pepperill Hill (E29/1024) tenements**
- **Appointment of Mr Rob Mosig as Technical and Marketing Consultant**
- **Share sale process for holders of Unmarketable Parcels of shares in the Company**
- **Change of Auditor to HLB Mann Judd (WA Partnership)**

The Board of Victory Mines Limited (ASX:VIC) (“Victory” or “the Company”) is pleased to provide the following summary of its activities during the March 2020 quarter.

PROJECTS

MALAMUTE PROJECT

The Company has commenced metallurgical test-work on samples from the 2019 drilling campaign to determine the potential for alumina in the Malamute laterite to be processed into High Purity Alumina (HPA).

In late 2019, the Company completed a successful drilling campaign consisting of 40 air-core drill holes for over 2,088m, with the end of hole depths ranging from 2m to 88m at the Malamute Project (refer to ASX announcement on 2 December 2019). The air-core drill holes intersected significant lateritic material overlying ultramafic and mafic units. As an initial measure, samples were collected from four drill holes and assayed at 1m intervals for subsequent analysis.

During this current quarter, the Company engaged Nagrom Laboratories in Perth to conduct beneficiation and hydrometallurgical testwork on samples from the drilling campaign to determine whether a 4N HPA product could be produced from the Marmalute laterite.

Sighter tests are currently in progress at Nagrom as a precursor to identifying the best method for dissolving the maximum amount of aluminium into a solution containing low iron and sodium. Further testwork will be carried out in May.

GALAH WELL & PEPPERILL HILL, GOLDFIELDS WA

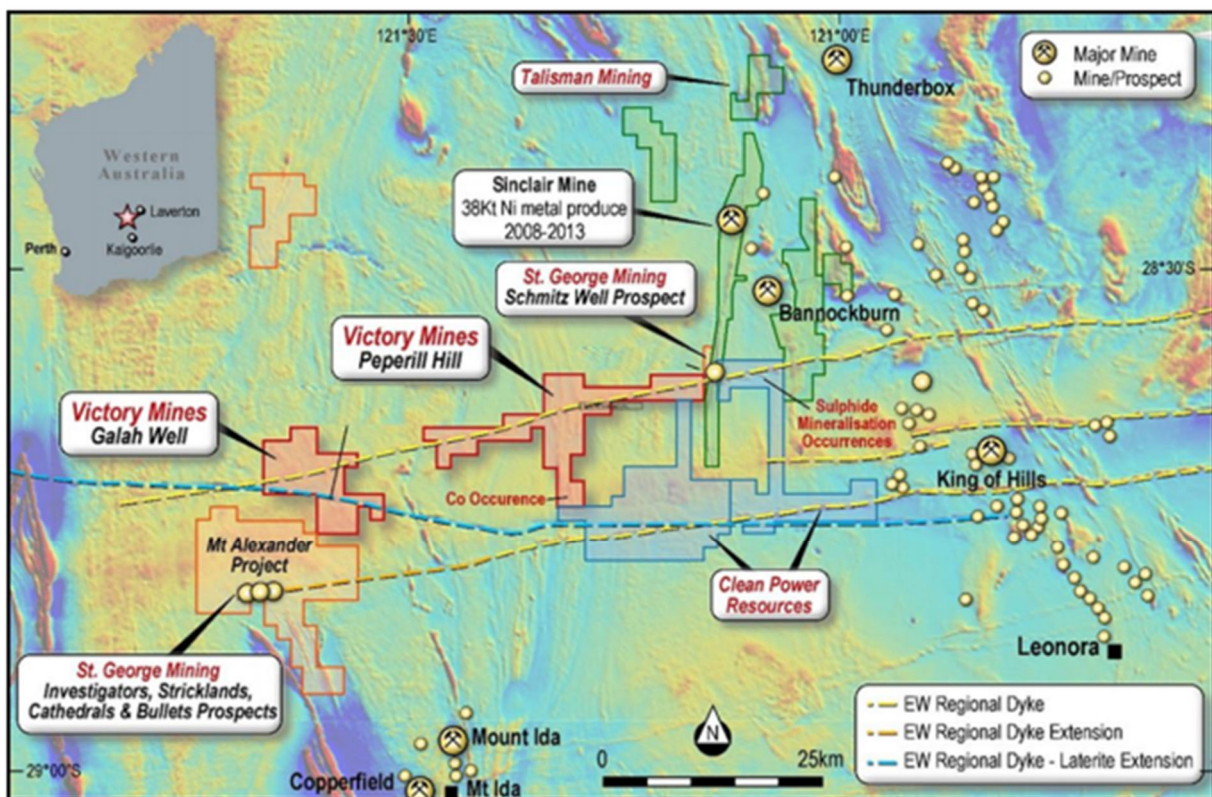
During the quarter, the Company commenced a regional soils program at the Galah Well (E29/1023) and Pepperill Hill (E29/1024) tenements.

Following encouraging results obtained from a field reconnaissance program completed in October 2019 (refer to announcement on 4 December 2019), Victory engaged a specialist contractor to undertake the collection of 1,982 samples for the purposes of multi-element analysis. Alternate samples were submitted for assaying on a broad regional basis to identify anomalous results.

990 samples were delivered to Australian Laboratory Services and assayed for 51 elements including Au, Co, Ni, Cu and other pathfinder elements associated with these styles of mineralisation.

The program targeted Ni-Cu-Co sulphides along the dyke and orogenic gold potential covering 36 km strike of the regional dyke identified on tenements E 29/1023 & 24.

FIGURE 1: GALAH WELL & PEPPERILL HILL PROJECTS VS PEERS IN WA GOLDFIELDS



CORPORATE

Appointment of Technical and Marketing Consultant

During the quarter, the Company appointed Mr. Rob Mosig as the Company's Technical and Marketing Consultant commencing January 2020 for an initial term of 6 months.

Mr. Mosig, a geologist, is a Fellow of the Australasian Institute of Mining and Metallurgy (F.AusIMM) and a Fellow of the Australian Institute of Company Directors (FAICD). He has over 40 years of corporate, technical and marketing experience in mining and exploration and was previously the founding Managing Director of Helix Resources Ltd (ASX: HLX) and Platina Resources Ltd (ASX: PGM).

Mr. Mosig is currently the Principal Director of a specialist Hong Kong based consultancy focussed on securing potential cornerstone Asian and European shareholding investments, off-takes and joint ventures for clients with specialty metals projects. Mr. Mosig also consults on precious metals projects and base metals projects such as the Company's Bonaparte Project which hosts Mississippi Valley-type lead and zinc outcrop sample anomalism in the Kimberley Region of Western Australia.

Unmarketable Parcels

On 16 March 2020, the Company announced a share sale process for holders of Unmarketable Parcels of shares in the Company.

The ASX Listing Rules defines an "Unmarketable Parcel" as those with a market value of less than \$500. As at market close on the 16 March 2020 an unmarketable parcel of shares in the Company is any shareholding of 499,999 ordinary shares or less, based on the closing price of \$0.001 per share. This represented 293,086,683 ordinary shares of the Company, held by 2,024 shareholders.

Holders of Unmarketable Parcels who wished to retain their shares had the options of:

1. Electing to retain their shares by ; or
2. If they have multiple holdings, consolidate these under a single HIN/SRN such that the combined shareholding is greater than \$500; or
3. Purchase additional shares under the same HIN/SRN such that their shareholding value is greater than \$500.

Any holders of Unmarketable Parcels who did not take one of the actions above will have their shares sold and the proceeds sent to them provided that the Company is able to arrange for the sale of the shares in accordance with the Company's Constitution.

The Company undertook this sale process as the Company expects to reduce the significant administrative costs associated with maintaining a large number of small holdings.

The Closing Date for holders to elect to retain their shares was 28 April 2020 and the Company is now working to finalise the process.

Change of Auditor

On 31 January 2020, the Board formalised the appointment of HLB Mann Judd (WA Partnership) as the Company's auditor to replace Bentleys Audit & Corporate (WA) Pty Ltd.

Payments to related parties of the entity and their associates

During the quarter, there were \$33,00 paid to related parties for Directors fees.

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mathew Perrot who is a Registered Practicing Geologist and Member of the AIG. Mr Perrot is employed by Mathew Perrot Consulting Geologist Pty Ltd. Mr Perrot has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Perrot consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement is authorised for market release by the Board of Victory Mines Limited.

For more information:

Please visit our website for more information: www.victorymines.com

or

Contact Alec Pismiris, Non-Executive Director: +61 402 212 532

TENEMENT SCHEDULE

Project Name	Location	Tenement Licence	Interest held at 31 Dec 2019	Interest acquired / disposed of	Interest held at 31 Mar 2019
Bonaparte	WA	E80/4901	100%		100%
Galah Well	WA	E29/1023	100%		100%
Peperill Hill	WA	E29/1024	100%		100%
Malamute	NSW	EL8667	100%		100%
Husky	NSW	EL8666	100%		100%