

ASX ANNOUNCEMENT

Date: 1 April 2014



Update on South American Tin's Bolivian Tin Projects

Highlights

- 3,700 metre surface channel sampling programme at San Pedrito Project planned
- Information received about the Luz Mila Adit at San Pedrito,
- High grade Sn/Zn/Ag identified at Oropeza Prospect which forms part of San Pedrito Tin Project
- SAT meets the new President of Federation of Mining Cooperatives of the North of Potosi (FERECOMINORPO) who expresses complete support for SAT's projects

Victory Mines Limited (ASX: VIC) is pleased to advise it has received the following update on South America Tin Limited's (SAT) activities in Bolivia.

As announced on 5 March 2014, VIC has entered into an agreement with South American Tin where Victory will acquire 100% of SAT. SAT owns 80% of a local Bolivian entity that holds contracts over seven large-scale tin hard rock, tailings and alluvial tin projects located in the North of Potosi region of Bolivia.

San Pedrito Project Update – Channel Sampling Programme, Socavon Luz Mila & Socavon Rosita

SAT is coordinating with the Board of the Juan del Valle Cooperative to commence a programme of surface channel sampling at the San Pedrito Project. Initially two areas will be sampled. Approximately 800 metres of channels will be sampled at the top of Cerro (Hill) San Pedrito, at approximately 4,480 masl (metres above sea level) and approximately 2,900 metres of channels will be sampled lower down at Adit Nos 2 and 3, at approximately 4,200 masl. Members of the Cooperative will be supervised by SAT's geologist in this work. The channel sampling programme is planned to commence as soon as the Cooperative organises the sampling teams.

In organising the above programme with the Juan del Valle Cooperative President, Sr. Miguel Angel Cazas, and another Board member, Sr. Ricardo Cadima, SAT and the Board members discussed Socavon (Adit) Luz Mila. This adit is the base of the Juan del Valle contract area at 3,956 masl. It was mined in the late-1940s by Patiño Mines & Enterprises Cons (Inc.) as an exploration adit over approximately 2.3 kilometres in length. **SAT has been informed that this adit intersected more than 30 Sn/Zn/Ag veins.** The entrance to the adit was deliberately collapsed in the early 1950's to restrict access to illegal miners. Sr. Cazas and Sr. Cadima said that a small associated adit, Socavon Auxiliar, accesses Luz Mila after the collapse.

SAT will now investigate how the Luz Mila adit might be re-opened and then mapped and sampled. **If this is possible and the sampling results are positive, then Luz Mila could become a major second production centre.** It is believed that no mining has taken place in the 190 vertical metres between the Luz Mila Adit and Adit No 1 on the San Pedrito Project. Many of the veins mined to the surface higher up the hill can be traced over 100-200 metres in length. Observed and reported vein widths are 0.4-1.5 metres with occasional blowouts to 3 metres. Figure 1 below shows the entrance to Socavon Luz Mila and Figure 2 shows a vein mined at surface at the San Pedrito Project.

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George's Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com

On a recent visit to San Pedrito, SAT was shown another adit by the Cooperative, the Rosita Adit, which is the upper-most of three adits at the Oropeza Prospect which is in the south-west corner of the San Pedrito Project.

SAT has a copy of a report from Bolivia's state mining company, COMIBOL, where six samples were taken from the Rosita Adit. These samples were over a vein length of 96 metres and indicated high grades of Sn/Zn/Ag over an average vein width of 0.41 metres. The report written by two COMIBOL geologists is entitled "Proyecto Geologico Minero Sector Callaperia – Distrito Minero Siglo XX" (Geology and Mining Project for the Callaperia Area – Mining District of Siglo XX) and is dated December 2004. Results for the Rosita Adit from this report are reproduced in Table 1 below and translated into English.

Sample Number	Location	Width (metres)	Vein or Channel	% Zn	% Pb	% Sn	DM Ag *
1353	143 metres from the adit entrance	0.40	Vein	11.49	0.09	3.04	3.98
1354	23 metres NW of sample 1353	0.45	Vein	3.35	0.10	0.84	5.91
1355	15 metres NW of sample 1354	0.40	Vein	30.30	0.70	3.86	8.82
1356	26 metres NW of sample 1355	0.45	Vein	31.96	0.19	2.42	6.98
1357	21 metres NW of sample 1356	0.35	Vein	19.05	0.15	0.09	1.96
1358	10.5 metres NW of sample 1357	0.40	Vein	3.15	0.04	0.27	0.67
		0.41		16.54	0.21	1.78	4.85

Table 1 – COMIBOL Sampling from Adit Rosita at Oropeza

* DM Ag = Decimarcos of silver. 1.00 DM = 100 g/t. Silver grades at many Bolivian mines can be very high, hence the unit of the decimarco is used rather than grams/tonne.

SAT's geologist has taken one grab sample of material that had been mined by members of the Juan del Valle Cooperative from within the No 1 Adit at Oropeza. This is the lower-most of the three adits at Oropeza, approximately 30 metres below the Rosita Adit. The results of this sample are shown in Table 2 below and support the COMIBOL sampling.

Sample Number	Location	Width (metres)	Type	% Zn	% Pb	% Sn	DM Ag
ORP-01	Within Adit No 1 at Oropeza	N/A	Grab	15.46	0.27	1.08	11.54

Table 2 – SAT Sampling from Socavon No 1 at Oropeza

Figure 3 below shows the Oropeza Adits complex.



Figure 1 – The Entrance of Socavon Luz Mila



Figure 2 - SAT Staff Member Cristhian Gismondi at an Old Working on Cerro San Pedrito

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George's Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com



Figure 3 – The Oropeza Adit Complex. Photo Taken from the Stockpile at Adit No 1

Meeting with the New President of the Federation of Mining Cooperatives of the North of Potosi

SAT's Managing Director Mr John Kelly has held his first meeting with the new President of the Federation of Mining Cooperatives of the North of Potosi (FERECOMINORPO) Sr. Daniel Tito who is a member of the large Siglo XX Cooperative. Two other members of the FERECOMINORPO Board were in the meeting, Sr. Ramon Choque and Sr. Oscar Barahona, plus the Vice President of FENCOMIN, Sr. Gualberto Herrera, also a member of the Siglo XX Cooperative.

Sr. Tito expressed strong support for SAT and its projects. He has appointed a Committee of the FERECOMINORPO Board to deal directly with SAT for its projects. **The discussion with Sr. Tito centred on SAT's work on the Catavi Arenas Project and the opportunity of SAT constructing more small plants (up to 500 tonnes per day) like proposed the 150 tonne per day Juan del Cooperative plant for the other three Cooperatives at the Siglo XX Mine and for the Pucro Cooperative.**

The Siglo XX Mine is typical of most large underground mines that are operated by Cooperatives in Bolivia in that the Cooperative members only mine and remove from the mine the highest grade material because all work is manual. Lower grade "mullock," or waste material, is stacked in the mine drives and cross-cuts, which is choking the mine. Sr. Tito estimated that the grade of ore mined and then treated by the Siglo XX Cooperative members was 4-5% Sn and that the grade of the mullock material mined and then stacked underground could be 1-2% Sn. Figure 4 below shows mullock stacked in a cross-cut at Siglo XX.

Approximately 2,500 to 3,000 Cooperative members have been stacking the mullock in the mine since the late-1980s when the two largest Cooperatives, XX de Octubre and Siglo XX, were formed. **SAT will shortly start a programme of limited sampling to determine whether this material could be mined and treated in a 500 tonne per day plant.**

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George's Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com

SAT's Managing Director John Kelly commented: "The San Pedrito project continues to grow in scale with new adits and new information being discovered. We are confident that some limited exploration and development work can add considerable value to this project.

"SAT is also very encouraged by its recent discussions with Sr. Daniel Tito regarding the opportunities to progress with ore processing activities with the larger Siglo XX Cooperative. SAT has a contract in place with this Cooperative to commence modern mining and processing at what was once the world's largest tin mine. We believe Siglo XX still holds significant unlocked value and we are pleased to have the continued support and encouragement of the local Cooperatives."



Figure 4 - Mullock Stacked in a Cross-Cut at the Siglo XX Mine.

Update on Acquisition

The transaction between VIC and SAT has been approved by the ASX and is subject to the completion of satisfactory due diligence by both parties, and shareholder approval by Victory. Due diligence is now underway and a Notice of Meeting will be finalised shortly and then sent to Victory shareholders. SAT has couriered technical and commercial information to VIC from Bolivia. VIC has appointed a lawyer based in La Paz, Bolivia to report on legal due diligence.

- ENDS -

Enquiries

Elizabeth Hunt
Company Secretary

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George's Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com

Media Enquiries

Sam Burns

Six Degrees Investor Relations

+61 8 9322 8288

About Victory Mines Limited

Victory Mines Limited is a Perth-based exploration company with a portfolio of copper, base metals, rare earth elements, uranium, gold and platinum group element prospects throughout Western Australia. The company listed on the ASX in October 2012 and is seeking to maximise shareholder wealth through the successful exploration of its prospects.

Competent Persons Statement

The information herein that relates to Exploration Results is based on information compiled by Mr John Kelly BE(Min), who is a Fellow of The Australian Institute of Mining and Metallurgy. Mr Kelly is a full-time employee, director and shareholder of South American Tin Limited. Mr Kelly has 32 years' experience in mining and exploration activities. Mr Kelly has more than five years' experience which is relevant to the style of mineralisation and type of deposit being reported 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, Minerals Resources and Ore Reserves" (the JORC Code). This public report is issued with the prior written consent of the Competent Person as to the form and context in which it appears.

JORC Code Table 1 Checklist of Assessment and Reporting Criteria

Only sections from Table 1 in the JORC Code that are considered relevant by the Competent Person are commented on in this report.

Section 1 – Sampling Techniques and Data

Sampling Techniques	COMIBOL – The COMIBOL report indicates that the samples were channel samples that were taken across the vein and hence represent the true width of the vein. South American Tin – The sample was one representative grab sample taken from a stockpile of mined ore within Adit No 1. A sample of 3-4 kilograms was initially taken which was later coned and quartered to a sample of approximately 1 kilogram which was delivered to the analysis laboratory.
Logging	COMIBOL – The COMIBOL report does not indicate if logging was done. South American Tin – The sample was not logged.
Quality of Assay Data and Laboratory Tests	COMIBOL – The COMIBOL report is silent on this. South American Tin – The sample was analysed by a local Bolivian laboratory, Conde Morales Chemical Laboratory located in Oruro. Conde Morales is accredited under NB-ISO-IEC 17025:2005 which is granted by the Department of Technical Accreditation from the Bolivian Institute of Metrology (IBMETRO). IBMETRO is similar to Australia's National Measurement Institute. Conde Morales is accredited for the analysis of tin, antimony, copper, zinc, lead, silver and wolfram. Conde Morales has an interior regime for check analysis done in duplicate or triplicate and with different analysis crews and at different times. Conde Morales is used by SENARECOM, the Bolivian government body responsible for control of mineral sales and exports.
Location of Data Points	COMIBOL – The COMIBOL report accurately indicates the location of the samples relative to the entrance of the adit entrance as indicated in Table 1 above. South American Tin – The sample was taken approximately 100 metres from the adit entrance and approximately 10 metres below the level of the adit.

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George's Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com

Orientation of Data in Relation to Geological Structure	COMIBOL – The COMIBOL report indicates the samples were taken across the vein. South American Tin – The sample was not taken relative to the vein.
Sample Security	COMIBOL – The COMIBOL report is silent on this. South American Tin – The sample was stored in a locked room at the SAT office before being transported to the laboratory by SAT employees in the near-by city of Oruro.

Section 2 – Reporting of Exploration Results

Mineral Tenement and Land Tenure Status	The underlying mining tenements, termed “concessions” in Bolivia, at the San Pedrito Project are all owned by COMIBOL, the Bolivian state mining company. The Juan del Valle Cooperative has a contract with COMIBOL to mine on the concessions dated 12 th October 2006 and valid for 20 years. South American Tin’s Bolivian subsidiary has signed a Preliminary Contract with the Juan del Valle Cooperative dated 20 th November 2012 giving the Company exclusive rights to the Project area.
Exploration Done by Other Parties	South American Tin and the Juan del Valle Cooperative are sourcing reports on other exploration work done on the Project area. This work, where it exists, will have been done by Patiño Mining and Exploration Cons (Inc.) (pre-1952) and by COMIBOL (1952-1985). The Siglo XX Mine has been mined almost continuously since the late 1890s and much of the exploration work expected to be sourced could be many decades old. SAT is unaware of any exploration work done after 1985, although COMIBOL and other Bolivian government institutions have written a number reports since 1985 based on pre-1985 exploration data.
Geology	The Salvadora stock at Llallagua was intruded into the axis of a sharply overturned, northwest-striking anticline with the Cancañiri Formation in the core and flanked by the Llallagua and Uncia Formations. Erosion has completely removed any volcanic superstructure that may have been present over the La Salvadora intrusive, leaving only a porphyry stock in contact with the Paleozoic sedimentary rocks. The Salvadora Stock occupies most of the mountain. The stock has the form of an ellipse with one axis 1000m long parallel to the strike of the range and 700m in width. It is a single intrusion. The rock is so deeply altered down to the lowest mine workings (775 m below the summit or 42m below the lowest adit level) that it cannot be classified with certainty. (D Jones – Vidoro Pty Limited April 2012). The San Pedrito Project lies in the Cancañiri Formation surrounding the Salvadora stock. The Project consists of a series of veins at different orientations, predominantly NNW. These veins contain tin (cassiterite), plus a number of economic metal sulphide minerals for zinc, silver, antimony, lead and bismuth. There are also silver chloride minerals. The veins at the Oropeza Prospect strike approximately NNW.
Balanced Reporting	The results presented in this report are all the technical information that SAT has for the Oropeza Prospect.
Other Substantive Exploration Data	South American Tin is preparing a further report on additional exploration work done by both SAT and COMIBOL, where SAT has COMIBOL information, on other areas of the San Pedrito Project.
Further Work	The San Pedrito Project area has been mined and explored intermittently since at least 1928. The Juan del Valle Cooperative has been mining the area intermittently since its formation in the mid-1950s. South American Tin is planning a comprehensive exploration programme for the entire San Pedrito Project area. South American Tin has planned a 3,700-metre surface channel sampling programme and detailed geological mapping programme. SAT has tentatively planned a 1,000-metre drilling programme which will be refined following the receipt of the results of the channel sampling programme.

Victory Mines Limited ABN 39 151 900 855

Principal Place of Business: Unit 1, 249 Balcatta Road, Balcatta WA 6021

Telephone +61 8 9240 7110 | Fax +61 8 9240 7117

Registered Office: Level 11, 216 St George’s Terrace, Perth WA 6000

Telephone +61 8 9481 0389 | Fax +61 8 9463 6103 | www.victorymines.com