

# VICTORY MINES LIMITED

ABN 39 151 900 855

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## NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

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TIME: 9.30am (WST)  
DATE: Thursday, 10 September 2015  
PLACE: Mining Corporate Pty Ltd  
Level 11, 216 St Georges Terrace  
Perth, Western Australia 6000

***This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

The General Meeting of the Shareholders of Victory Mines Limited which this Notice of Meeting relates to will be held at 9.30am WST on Thursday, 10 September 2015 at Mining Corporate Pty Ltd, Level 11, 216 St Georges Terrace, Perth, Western Australia 6000.

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the proxy form enclosed and either:

- post to Victory Mines Limited, GPO Box 2517, Perth WA 6831;
- send by email to [liz@miningcorporate.com.au](mailto:liz@miningcorporate.com.au); or
- send on facsimile number +61 (0) 8 9463 6103,

so that it is received not later than 9.30am WST on Tuesday, 8 September 2015.

### Proxy forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Victory Mines Limited will be held at 9.30am WST on Thursday 10 September 2015 at Mining Corporate Pty Ltd, Level 11, 216 St Georges Terrace, Perth, Western Australia 6000.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

In accordance with Regulation 7.11.37 of the *Corporations Regulations*, the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding them at 5.00pm (WST) on, Tuesday, 8 September 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### RESOLUTION 1 - CONSOLIDATION OF CAPITAL

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of Section 254H of the Corporations Act and for all other purposes, approval is given for the issued share capital of the Company to be consolidated on the basis that:*

- (a) every 35 Shares be consolidated into 1 Share; and*
- (b) every 35 Options be consolidated into 1 Option,*

*and where this Consolidation results in a fraction of a Share or an Option being held, the Directors be authorised to round that fraction up to the nearest whole Share or Option (as the case may be), with the Consolidation taking effect on the Record Date and otherwise as described in the Explanatory Statement.”*

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### RESOLUTION 2 - APPROVAL FOR PLACEMENT OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### **RESOLUTION 3 – PARTICIPATION OF DIRECTOR IN PLACEMENT (JOHN KELLY)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, approval be given for the purposes of Listing Rule 10.11 and for all other purposes for John Kelly, a Director, (or his respective nominee(s)), to participate in the placement of Shares the subject of Resolution 2 to the value of up to \$50,000, and otherwise on the terms and conditions set out in the attached Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by John Kelly (and/or his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### **RESOLUTION 4 – PARTICIPATION OF DIRECTOR IN PLACEMENT (PETER PEEBLES)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, approval be given for the purposes of Listing Rule 10.11 and for all other purposes for Peter Peebles, a Director, (or his respective nominee(s)), to participate in the placement of Shares the subject of Resolution 2 to the value of up to \$50,000, and otherwise on the terms and conditions set out in the attached Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Peter Peebles (and/or his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### **RESOLUTION 5 – PARTICIPATION OF DIRECTOR IN PLACEMENT (ASHLEY HOOD)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, approval be given for the purposes of Listing Rule 10.11 and for all other purposes for Ashley Hood, a Director, (or his respective nominee(s)), to participate in the placement of Shares the subject of Resolution 2 to the value of up to \$50,000, and otherwise on the terms and conditions set out in the attached Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Ashley Hood (and/or his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 61,666,666 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**BY ORDER OF THE BOARD**



**Elizabeth Hunt**  
**Company Secretary**  
6 August 2015

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Victory Mines Limited to be held at 9.30am WST on Thursday, 10 September 2015 at: Mining Corporate Pty Ltd, Level 11, 216 St Georges Terrace, Perth, Western Australia 6000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

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### **1. RESOLUTION 1: CONSOLIDATION OF CAPITAL**

#### **1.1 Background**

Resolution 1 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a 1 for 35 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

#### **1.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.22.1 provides that in a consolidation of capital, the number of Options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

#### **1.3 Fractional Entitlements and Taxation**

Not all Security holders will hold that number of Securities which can be evenly divided by 35. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

#### **1.4 Holding Statements**

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a pre-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

#### **1.5 Effect on capital structure**

As at the date of this notice the Company has the following Securities on issue.

The capital structure of the Company (subject to rounding) Consolidation and other matters is set out below. This table assumes that all resolutions the subject of this Notice of Meeting are approved.

<b>SHARES</b>	<b>NUMBER</b>
Total Shares on issue at the date of this Notice (pre-consolidation)	1,896,236,954
Total Shares on issue post-Consolidation	54,178,199
Resolution 2 (Placement of Shares)	20,000,000*
<b>Total Shares on issue post-Consolidation and completion of post-Consolidation issues</b>	<b>74,178,199</b>

\*Assumes issue of \$2,000,000 Shares at \$0.10 per Share on a post-Consolidation basis.

If Resolution 1 is passed the number of Shares and Options on issue will be reduced on a 1:35 basis and the exercise price of all Options will be increased in inverse proportion to that ratio.

The indicative post-consolidation share price is \$0.105, on the basis of \$0.003 (being the last sale price) multiplied by 35.

All of the existing Options which are on issue by the Company have been issued on terms which permit them to be changed to the extent necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction.

Post-Consolidation, the Company will have the following Options on issue (assuming no further Options have been issued (except as stated) and no existing Options have been converted into Shares):

	Number (pre-Consolidation)	Number (post-Consolidation)	Pre-consolidated Option exercise price	Post-consolidated Option exercise price
Options - 9 October 2015	41,500,000	1,185,714	\$0.20	\$7.00
Options - 9 October 2015	4,658,000	133,085	\$0.40	\$14.00
Options - 31 December 2016	104,650,000	2,990,000	\$0.03	\$1.05
Options - 9 October 2017	4,000,000	114,285	\$0.20	\$7.00

## 1.6 Timetable

The indicative timetable for the Consolidation is as follows:

<b>Event</b>	<b>Date</b>
General Meeting to approve transaction	10 September 2015
Notification to ASX of results of General Meeting	10 September 2015
Last day for trading in pre-reorganised Securities	11 September 2015
Trading in reorganised Securities on a deferred settlement basis	14 September 2015
Last day to register transfers on a pre-reorganisation basis	16 September 2015
First day for Company to send notice to Shareholders of change of holdings as a result of reorganisation First day for Company to register Securities on a post-reorganisation basis and for issue of holding statements	17 September 2015
Issue date Deferred settlement market ends Last day for Securities to be entered into the holders' security holdings and for Company to send notice to each security holder	23 September 2015
Shares under Placement will be issued	On or around 24 September 2015

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## 2. RESOLUTION 2 – APPROVAL FOR PLACEMENT OF SHARES

### 2.1 General

Resolution 2 seeks Shareholder approval for the issue of that number of Shares, when multiplied by the issue price on a post-Consolidation basis, will raise up to \$2,000,000 (before costs) (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the Shares under the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price (on a post-Consolidation basis), equals \$2,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be calculated on a post-Consolidation basis at not less than 80% of the volume weighted average market price for Shares calculated over the 5 days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Securities were recorded before the date the prospectus is signed;
- (d) the person to whom, the Shares will be issued are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. Other than as set out at Section 3.1, none of the persons will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to allocate funds, assuming the full \$2,000,000 is raised, as set out in the following table:

<b>Item</b>	<b>Budget</b>
Bolivian operations	\$1,460,000
Exploration – Western Australian tenements	\$40,000
Payment of existing creditors	\$414,000
Working capital	\$86,000
<b>Total</b>	<b>\$2,000,000</b>

### 2.3 Dilutionary Effect

The dilutionary effect which the proposed issue of the Shares under the Placement will have on current Shareholders will be dependent upon the actual price at which Shares are issued. The table illustrated below gives an example of the dilutionary effect the future issue may have on current Shareholders based on possible prices (\$0.08, \$0.10 and \$0.12) at which the Share issue may take place (the actual number of Shares which will be issued will depend upon the Company's share price at the time the issues are made and cannot therefore be determined at this time):

	Issue Price		
	\$0.08	\$0.10	\$0.12
Shares on issue (post-Consolidation)*	54,178,199	54,178,199	54,178,199
Shares issued under Placement	25,000,000	20,000,000	16,666,667
Total	<b>79,178,199</b>	<b>74,178,199</b>	<b>22,083,866</b>
Dilution	46%	37%	31%

\* Assumes that no other Shares are and none of the existing Options have been converted into Shares.

The indicative post-consolidation share price is \$0.105, on the basis of \$0.003 (being the last sale price) multiplied by 35.

### 3. RESOLUTION 3, 4 AND 5 - PARTICIPATION OF DIRECTORS IN PLACEMENT

#### 3.1 Background to Resolution 3

Pursuant to Resolution 2, the Company is seeking Shareholder approval for the issue of that number of Shares, when multiplied by the issue price on a post-Consolidation basis, will raise up to \$2,000,000 (before costs) (**Placement**).

It is proposed that John Kelly, Peter Peebles and Ashley Hood (or their respective nominee(s)), being related parties of the company, participate in the Placement.

Resolution 3 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price on a post-Consolidation basis, will raise up to \$50,000 to each of John Kelly, Peter Peebles and Ashley Hood (or their respective nominee(s)) arising from the participation by John Kelly, Peter Peebles and Ashley Hood in the Placement.

#### 3.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the company, the company must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Director Participation will result in the issue of Shares which constitutes giving a financial benefit and John Kelly, Peter Peebles and Ashley Hood are a related party of the Company by virtue of being a Director.

The Directors consider that participation in the Placement will be on arm's length terms as the offer will be made on the same terms to all parties, regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by the Directors falls within the arm's length terms exception provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Part 2E of the Corporations Act.

#### 3.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the participation in the Placement by John Kelly, Peter Peebles and Ashley Hood will involve the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) John Kelly, Peter Peebles and Ashley Hood (or their nominee(s)) is proposing to participate in the Placement, and are considered to be related parties of the Company as they are directors of the Company;
- (b) the maximum value of fully paid Shares which may be issued to each of John Kelly, Peter Peebles and Ashley Hood is up to a total of that number of Shares, when multiplied by the issue price on a post-Consolidation basis, will raise up to \$50,000;
- (c) the Company may not necessarily issue the full complement of Shares and may issue a lesser number;
- (d) the issue price will be calculated on a post-consolidation basis at not less than 80% of the volume weighted average market price for Shares calculated over the 5 days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed, and will be identical terms to the placement;
- (e) the fully paid Shares will be issued no later than one (1) month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules);
- (f) application will be made for Official Quotation on ASX of the fully paid Shares to be issued pursuant to the Placement being made;
- (g) the Shares issued will rank equally with the existing ordinary fully paid Shares on issue;
- (h) if approval is given to this resolution for the purposes of Listing Rule 10.11, approval for the issue under this resolution is not required under Listing Rule 7.1; and
- (i) the Company intends to use the funds raised by the Placement for working capital, corporate overheads, exploration programs and review of project opportunities.

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## 4. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 10,000,000 Shares on the terms set out below ('Ratification').

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 4.1 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than then amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution 6 to allow the Company to ratify the issue of the 10,000,000 Shares issued on 6 October 2014 and not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 6 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities issued by the Company was 10,000,000 Shares;

- (b) those Shares were issued and allotted on 6 October 2014;
- (c) the Shares were issued at \$0.005 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the recipient of the Shares were private subscribers none of which are a related party of the Company; and
- (f) \$50,000 in cash was raised via the issue of the Shares which has been used to pay various creditors.

#### **4.2 Directors' Recommendation**

None of the Directors has a material personal interest in the subject matter of Resolution 6. The Board believes that the ratification of the Share and Placement Option issue the subject of Resolution 6 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

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## **5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES**

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 61,666,666 Shares on the terms set out below ('Ratification').

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **5.1 ASX Listing Rule 7.4**

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than then amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution 7 to allow the Company to ratify the issue of the 61,666,666 Shares issued on 13 April 2015 (23,333,333 Shares) and 24 April 2015 (38,333,333 Shares) and not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 7 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities issued by the Company was 61,666,666 Shares;
- (b) those Shares were issued and allotted on 13 April 2015 and 24 April 2015;
- (c) the Shares were issued at \$0.003 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the recipient of the Shares were private subscribers none of which are a related party of the Company; and
- (f) \$185,000 in cash was raised via the issue of the Shares which has been used to pay various creditors.

### **5.2 Directors' Recommendation**

None of the Directors has a material personal interest in the subject matter of Resolution 7. The Board believes that the ratification of the Share and Placement Option issue the subject of Resolution 7 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 7 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

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## GLOSSARY

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For assistance in considering the Notice and accompanying Explanatory Memorandum, the following words are defined here:

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors of the Company.

**Business Day** means any day that is not a Saturday, Sunday or public holiday on which banks are open for business in Perth.

**Chairman** means the chairman of the General Meeting.

**Closely Related Party** means, in relation to a member of Key Management Personnel:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the regulations, as defined in the Corporations Act.

**Company** means Victory Mines Limited (ACN 104 551 171).

**Constitution** means the constitution of the Company.

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

**Corporations Regulations** means the *Corporations Regulations 2011* (Commonwealth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum enclosed with, and comprising part of, this notice of general meeting.

**Listing Rules** means the Listing Rules of the ASX.

**Managing Director** means the managing director of the Company.

**Notice** means this notice of general meeting.

**Option** means a listed Option to acquire a Share(s).

**Proxy Form** means the proxy form enclosed with the Notice.

**Resolutions** means the resolutions proposed in the Notice.

**Security or Securities** means a Share and/or Option.

**Securities Holder** means a holder of a Security.

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

**Shareholder** means a shareholder of the Company.

**WST** means Australian Western Standard Time.

**VICTORY MINES LIMITED**

ABN 39 151 900 855

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**PROXY FORM**

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Name

Address

**Appointment of a proxy**

I/We being a member(s) of Victory Mines Limited hereby appoint:

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(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Capital Mining Ltd to be held at 9.30am WST on Thursday, 10 September 2015 at: Mining Corporate Pty Ltd, Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 and at any adjournment of that meeting.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN *
Resolution 1	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for Director Participation in Placement (Kelly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for Director Participation in Placement (Peebles)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Director Participation in Placement (Hood)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote any undirected proxies in favour of all Resolutions.

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

**Appointment of a second proxy**

I/We wish to appoint a second proxy

mark with an "X" if you wish to appoint a second proxy

AND

%

OR

State the percentage of your voting rights or the number of shares for this Proxy Form

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Authorised signature(s)**

INDIVIDUAL/SECURITY HOLDER 1  
Individual/Sole Director and Sole  
Company Secretary

SECURITY HOLDER 2  
Director

SECURITY HOLDER 3  
Director/Company Secretary

**Contact details**

**Contact Email address**

**Contact Telephone Number**

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## Voting By Proxy - How to complete the Proxy Form

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company 9.30am WST on Thursday, 10 September 2015 at: Mining Corporate Pty Ltd, Level 11, 216 St Georges Terrace, Perth, Western Australia 6000.

1. **Appointing a Proxy:** A member entitled to attend and vote at an General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).
4. **New sections 250BB and 250BC of the Corporations Act** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

**Proxy vote if appointment specifies way to vote:** Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**Transfer of non-chair proxy to chair in certain circumstances:** Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and

- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;
  - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

5. **Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

6. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

7. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Victory Mines Limited, GPO Box 2517, Perth WA 6831;
- send by email to [liz@miningcorporate.com.au](mailto:liz@miningcorporate.com.au); or
- send on facsimile number +61 (0)8 9463 6103,

so that it is received not later than 9.30am WST on Tuesday, 8 September 2015.