



ASX Announcement
11 August 2015

Near-term revenue generating opportunity with offer received from respected Minerals Trading Company to purchase tin concentrates from Victory's Bolivian projects

Highlights

- **Victory's Bolivian subsidiary, CM Gondwanaland S.A. ("Gondwanaland"), has received an indicative offer from a respected minerals trading firm to purchase high-grade tin concentrates from the company's Bolivian operations.**
 - **The offer is in two stages:**
 - **An initial trial period where Gondwanaland would supply 3 containers of tin concentrates (approximately 75 tonnes) FOB to a designated port, and**
 - **An ongoing commitment to take 100% of Gondwanaland's production being a minimum of 100 tonnes per month.**
 - **Offer gives Gondwanaland ability to sell up 3,000 tonnes of tin concentrates p.a.**
 - **Gondwanaland has an immediate supply of concentrate from local partners, the Cooperatives at the Siglo XX project**
 - **Logistics supply chain and export port determined.**
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Victory Mines Limited (ASX: VIC) ('Victory' or 'the Company') is pleased to announce a significant development that may result in the company generating near-term revenue from the sale of tin concentrates sourced from the Siglo XX Mine where the Company's local subsidiary has preliminary contracts with four cooperatives.

Victory's Bolivian subsidiary Gondwanaland has received an offer from a well established and respected European minerals trading firm to purchase up to 3,000 tonnes of tin concentrates per annum.

The minerals trading company, who shall remain confidential, has been in discussions with Gondwanaland and its representatives for more than twelve months with the indicative offer being presented last week. The minerals trading company has also sent representatives to Bolivia to conduct due diligence.

The offer is in two stages:

- An initial trial period where Gondwanaland would supply 3 containers of tin concentrates (approximately 75 tonnes) FOB to pre-determined port in South America, and

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- An ongoing commitment to take 100% of Gondwanaland's production being a minimum of 100 tonnes per month.

Gondwanaland's production could be as much as 3,000 tonnes of tin concentrate at estimated full production from the proposed concentrate retreatment plant. Concentrate prior to this staged increase in production will be sourced locally from cooperative miners.

Terms will be finalised after the trial period, such as the location of the bonded warehouse.

Gondwanaland has developed a business plan for the purchase, retreatment (if necessary) and then sale of tin concentrates sourced from its Mining Cooperative partners in the North of Potosi region of Bolivia.

The business plan envisages Gondwanaland constructing a small concentrate processing plant, upgrading lower grade tin concentrates in this plant and then selling high grade, impurity-free concentrates to international concentrate buyers. Gondwanaland has determined all the components of the supply chain necessary to export concentrate from the North of Potosi.

This arrangement will be a precursor to the expansion of toll treatment plants as envisaged in the previously announced plan for the significant production of tin, and some zinc, from the area.

Victory's Managing Director Mr John Kelly commented: "This is a game-changing opportunity for Victory as it means we can start generating revenue from the sourcing of concentrates from the Siglo XX project almost immediately.

"We have been in dialogue with the minerals trading company for a number of months to arrive at a mutually beneficial arrangement. Our first priority is to commence the three-month trial period and this phase of the project is now Victory's sole focus and priority. Most of the logistics have been determined in conjunction with a Chilean logistics firm that has an office in Bolivia.

We look forward to updating shareholders on this project and the Board is very encouraged by the prospect of this transformational opportunity."

Competent Persons' Statements

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 Victory Mines Limited. Mr Kelly has 34 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). Mr Kelly takes responsibility for the form and content of the Bolivian exploration information in this report. Mr Kelly also takes responsibility for the form and context of the Exploration Target reported. This public report is issued with the prior written consent of the Competent Person as to the form and context in which it appears and Mr Kelly consents to the inclusion of this information in this report.

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