VICTORY MINES

VICTORY MINES LIMITED

And its Controlled Entities

ABN 39 151 900 855

ANNUAL REPORT

For the year ended 30 June 2018

CONTENTS

DIRECTORS' REPORT

Your directors present the following report on Victory Mines Limited ("the Company") and its wholly owned subsidiary Cobalt Prospecting Pty Ltd and 99% owned Bolivian subsidiary, Andean Tin Mining SL (together referred to hereafter as "the Group") for the financial year ended to 30 June 2018.

DIRECTORS

The names of directors in office at any time during or since the end of the period are:

James Ellingford	Non-Executive Chairman
Terence Clee	Executive Director
Mathew Perrot	Non-Executive Director (appointed 23 April 2018)
Elizabeth Hunt	Non-Executive Director (appointed 30 January 2018; resigned 13 June 2018)
Peter Peebles	Non-Executive Director (resigned 30 January 2018)

Unless noted above, all directors have been in office since the start of the financial year to the date of this report.

COMPANY SECRETARY

Aida Tabakovic was appointed Company Secretary on 28 August 2018.

Aida is an accountant with over ten years' experience in the accounting and financial reporting of listed and unlisted companies. She has also had previous management experience in the luxury retail sector. Aida holds a Double Major Degree in Accounting and Finance and a Postgraduate Degree in Business Law. Aida assists clients with ASX and ASIC compliance, statutory reporting, company secretarial and financial accounting services. She has also been involved in the listing of a number of junior explorer companies on the ASX.

Elizabeth Hunt held the position of company secretary during the year; resigning 27 August 2018.

Details of Elizabeth's experience are set out below under 'Information on Directors'.

CORPORATE GOVERNANCE

A copy of the Company's corporate governance statement is available on the Company's website (www.victorymines.com).

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were new project acquisition and exploration activities at its Bolivian asset.

Consequently, there were no significant changes in the nature of the Company's principal activities during the financial year.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to $3,002,429 (2017: $3,524,111).

FINANCIAL POSITION

As at 30 June 2018 the Group had a cash balance of $818,553 (2017: $1,702,585) and a net asset position of $12,760,170 (2017: $1,390,664).

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial period ended 30 June 2018.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs occurred during the period:

- On 7 November 2017, the Company incorporated a 99% owned subsidiary, Andean Tin Mining S.R.L. in Bolivia. The subsidiary was incorporated for the purposes of handling the Bolivian Government requirements and to hold the new concession approvals, as approved by Bolivian Government, COMIBOL.
- On 20 December 2017, the Company voluntarily de-registered its wholly own subsidiary, South American Tin Pty Ltd.
- On 16 March 2018, the Company completed the acquisition of Cobalt Prospecting Pty Ltd.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the period under review not otherwise disclosed in this report or in the financial report.

SIGNIFICANT CHANGES AFTER THE REPORTING PERIOD

- On 27 August 2018, Mrs Hunt resigned as the Company Secretary.
- On 28 August 2018, Miss Tabakovic was appointed as the Company Secretary.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

REVIEW OF OPERATIONS

Corporate

On 18 July 2017, the Company announced that it has entered into a Heads of Agreement to acquire a polymetallic asset located on the prolific western margin of the Bonaparte Basin in Western Australia. The Bonaparte Project is secured by Exploration Licence ('EL') E80/4901, granted in July 2015 and Exploration Licence E80/4964, granted in March 2016. Both ELs are valid for five years. The consideration for the acquisition was $100,000 cash payment to vendors and the issue of 20,000,000 fully paid ordinary shares in the capital of Victory to the vendors. The acquisition was completed in September 2017.

On 14 November 2017, the Company announced that it has entered into a binding agreement to acquire 100% of the issued capital of Cobalt Prospecting Pty Ltd ('CPPL') subject to certain conditions precedent. CPPL owns four high-quality, cobalt and scandium focused project areas in NSW and WA. On execution of the binding agreement the Company issued 14,285,714 fully paid ordinary shares and 14,285,714 options to the CPPL shareholders. The Consideration terms at settlement are for Victory to issue 357,142,857 fully paid ordinary shares at a deemed issue price of $0.007 per share, issue 142,857,143 performance shares, 178,571,428 quoted options and a grant of 2% net smelter return royalty with respect to all minerals produced and sold from the four project areas and $200,000 cash payment to the vendors to be applied against expenditure costs incurred in establishing and maintaining the four project areas. The Acquisition will be completed on receipt of NSW ministerial consent to allow the change in effective control.

In November 2017, the Company completed a placement via issuance of 314,285,714 Shares at $0.007 to raise $2.2million.

EXPLORATION

Bolivia

Recent sampling results indicate there is clear potential to extract tin at comparatively low costs using simple processes (gravity or flotation) across the project area.

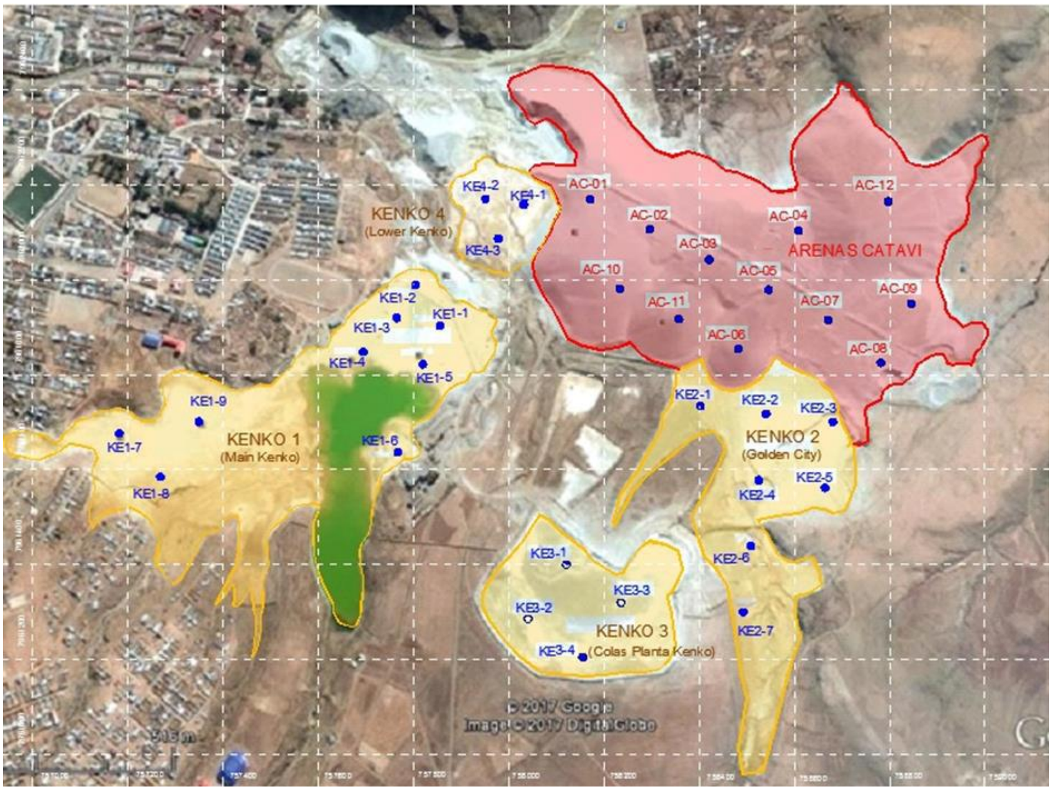

Figure 1: The Kenko Deposits plus Arenas Catavi

A desktop work uncovered a Sand & Slime Tailings report (COMIBOL, La Paz, 2001), which identified an additional potential higher-grade resource at Kenko 4 (west of Arena Catavi) that needs to be verified. Drilling programs have been executed and reached full completion stages for Kenko 1-3 and Rio Andavillque. Drilling has also been completed at Arenas Catavi and partial float/sink data has been received.

The drilling program was extensive and comprised of a total of 321 drill holes, with 181 cores extracted from Arenas Catavi, 112 from Kenko and 28 from Rio Andavillque. A total of 363 samples were sent for either laboratory analysis (100 x 2 metre composites) delivering results ranging from 0.11% Sn up to 0.91% Sn and a further 163 samples sent for size analysis. The Kenko 1-3 deposits delivered average results of 0.42%, 0.29% and 25% Sn respectively; the Arenas Catavi deposit delivered an average of 0.29% Sn and Rio Andavillque delivered an average of 0.34% Sn.

Included in the laboratory analysis was an assessment of tin grades and particle size distribution. The results from the analysis have indicated tin recovery methods of floatation for Kenko 1-3 and Rio Andavillque; and recovery by gravity for Arena Catavi. This information formed the foundation for the metallurgical test-work program.

The Board has reviewed the Bolivian tin operation thoroughly and determined to rationalise it, with the strategic reorientation towards NSW/WA cobalt-scandium assets.

Whilst the Bolivian tin operation has solid fundamentals, its geographic proximity to Australia, where VIC's six other projects are located, was a material deciding factor in classifying it a non-core asset. Victory are now seeking a partner to JV into the project, or outright sale of the asset.

Cobalt Prospecting, Western Australia

As announced on 14 November 2017, Victory entered into a binding agreement (Agreement) to acquire 100% of the issued capital of Cobalt Prospecting Pty Ltd (CPPL) from its current shareholders (Acquisition), subject to certain conditions precedent. CPPL owns four high-quality, cobalt and scandium focused project areas in NSW and WA.

At Malamute project, significant geochemical laboratory results exhibited elevated traces for Co, Ni, and Sc – all appeared over aeromagnetic highs which have been interpreted as an indicator of sub-surface laterite mineralisation over ultramafic intrusive source units. Further, boosting confidence to the soil geochemistry results, a selection of soil samples contained elevated traces for all three elements. These results are allocated a higher confidence. These significant geochemistry sample locations align with three distinct magnetic peaks, which form the basis of the prioritised drilling targets.

For the Husky project, the final priority drilling targets – compared with the preliminary plans – were expanded mostly in the east tenement; the west remained relatively static.

Notably, surface rock-chip samples at Husky East returned results of up to 70ppm Co, 227ppm Ni and 29ppm Sc which, collectively, are positive indicators of an extended mineralisation system. Factoring in these results then reconciling them with aeromagnetics, suggests the ultramafic body may extend north (under a yet to be determined depth of alluvial cover) and host sub-surface lateritic Co-Ni-Sc mineralisation.

Plans for the drilling campaigns across the Malamute and Husky projects have been approved by the New South Wales regulator. The current intent is for the drilling crew to deploy to the Malamute project first and focus on the areas with elevated Ni-Co-Sc levels (refer ASX Release 19 June 2018), then move on to the Husky project.

Bonaparte Project (E80/4901 and E80/4965)

As announced 18 July 2017, Victory acquired the Bonaparte Project, Western Australia, which is considered to be highly prospective for polymetallic elements (especially zinc, lead and silver). The Company commenced exploration with a gravity survey over the Mulligans graben.

The gravity data were acquired mainly along the east-northeast trending margins of a likely fault-controlled embayment of the Bonaparte Basin, as well as several kilometres to the north and south over upper Devonian rocks (Figure 2). This older northwest trending stratigraphy is demarcated by conductive horizons, mappable from the VTEM data, with variable strike lengths (300-2000m) within, and along the contacts of the Hargreaves formations. The strongest conductors (>20S) may indicate an association with sulphide mineralisation, whereas the weaker (10-20S) tabular east-northeast dipping conductors appear to be structurally controlled by conductive faults and fractures, suggesting a possible association with disseminated or semi-massive base metal bodies (SEDEX or MVT style).

During the commissioning of the survey a new copper gossan was discovered which returned a value of 15.95% copper, 9 g/t silver and 0.14% zinc. Previous rock chip sampling at Redbank returned values of up to 53.8% Pb, 39.1% Zn and 8 g/t Ag.

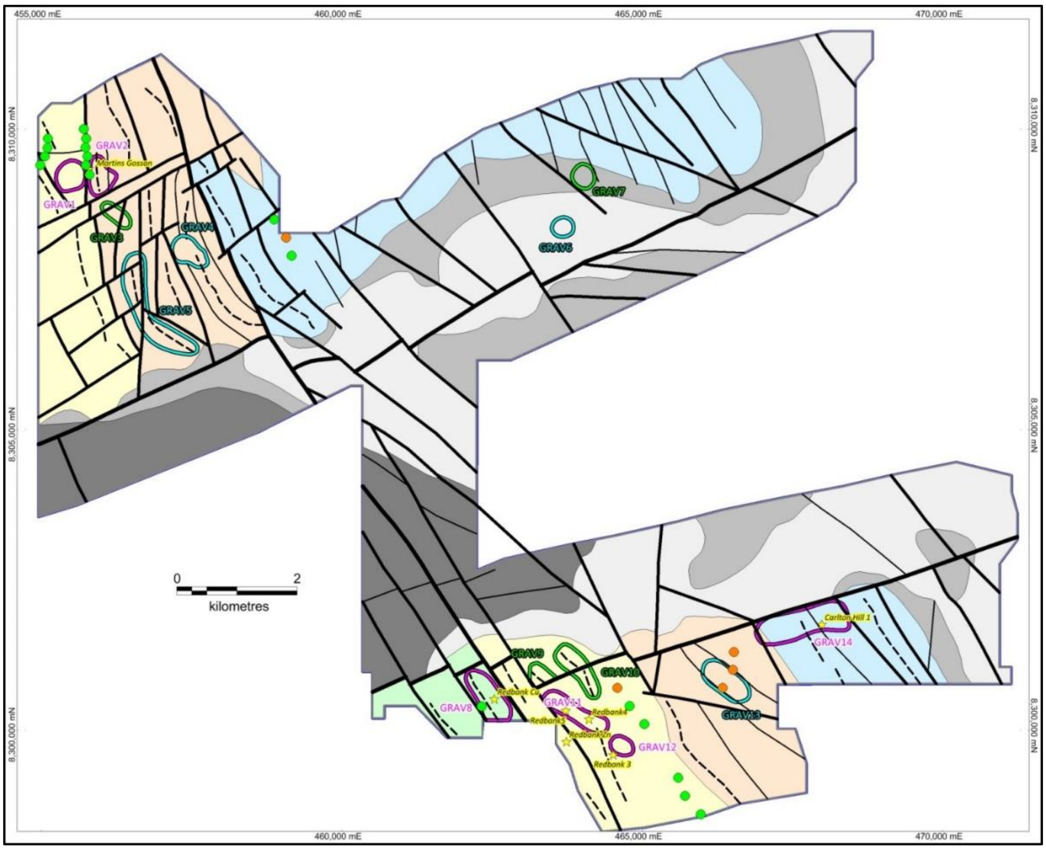

Figure 2: Interpretation of the Bonaparte Basin gravity data with targets

Laverton (E38/3075)

In August / September 2017, Victory undertook a Ground EM Survey over three areas at Laverton.

The survey was performed between 26 August and 8 September 2017, totalling 34.5km of coverage (26 lines, 371 stations). The EM survey highlighted several areas within the North and South Blocks that warrant further investigation, and Victory will consider all options to advance the project.

North Block

While no significant bedrock anomalism was defined by the resultant MLTEM dataset, there were some areas of broader IP/polarisation effects apparent in the MLTEM dataset, primarily in the southern central extents. There is a clear broader conductive trend/corridor which demonstrates IP/polarisation effects, striking ~NW-SE, and this may highlight a structural corridor.

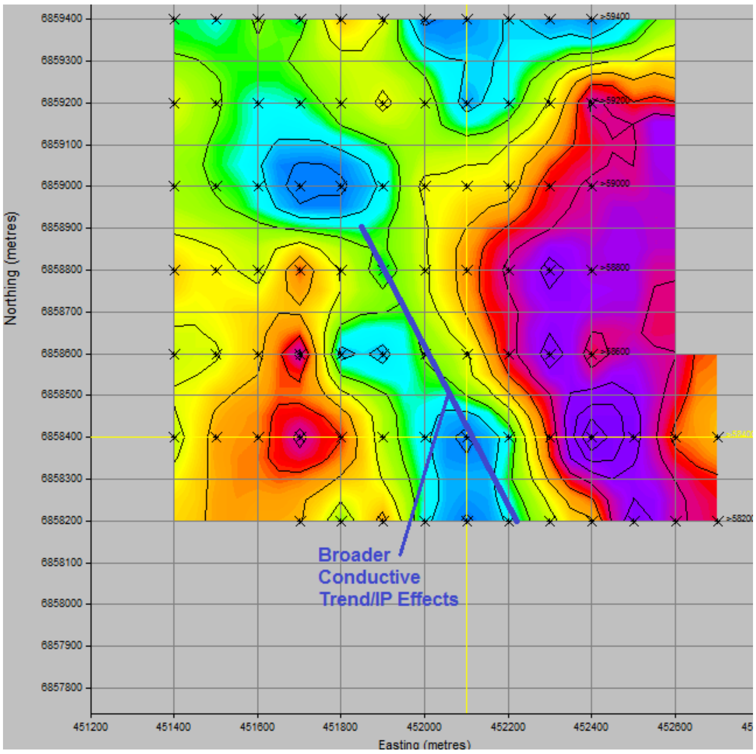

Figure 3: North Block - Conductive Trends

Southern Block

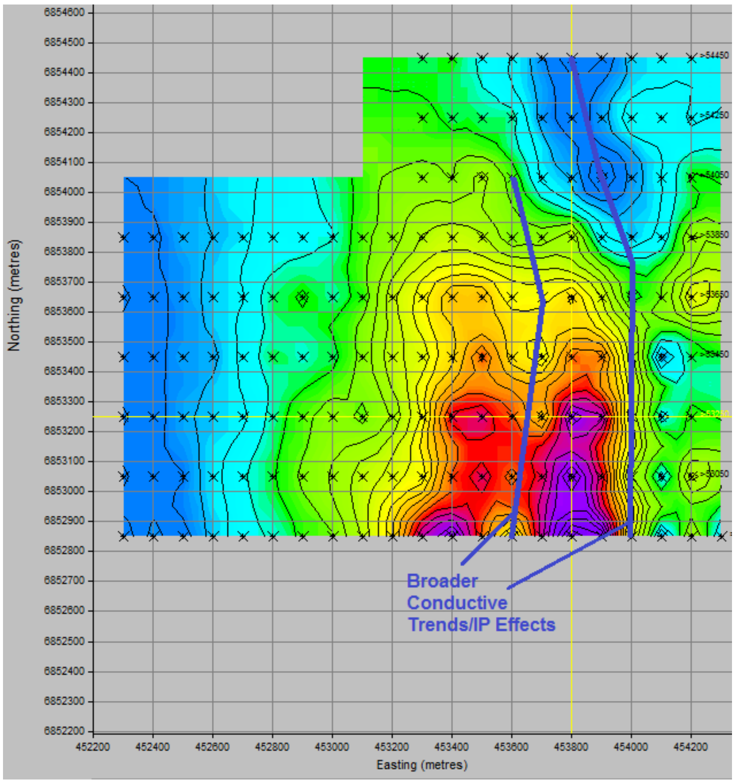

Figure 4: Southern Block - Conductive Trends

There were some areas of broader IP/polarisation effects apparent in the MLTEM dataset, but no significant bedrock anomalism was defined by the resultant MLTEM. There are also clear broader conductive trends/corridors which demonstrate IP/polarisation effects, striking ~N-S to NNW-SSE, and these may highlight structural corridors.

Competent Persons Statement

The information in this report that relates to Bolivia Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Peebles who is a Member of Australian Institute of Geoscientists (AIG). Mr Peebles is employed by Darlington Geological Services Pty Ltd and is also a Director of Darlington Geological Services Pty Ltd. Mr Peebles 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 Peebles consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Cobalt Prospecting Historical Exploration Results and the analysis of publicly available geological data is based on information compiled by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for 11 years. Mr Ryan is employed by Xplore Resources Pty Ltd. Mr Ryan is the consulting Technical Manager for Cobalt Prospecting Pty Ltd. Mr Ryan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Ryan consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

The information in this report that relates to the Bonaparte 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.

The information in this report that relates to Laverton Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Peebles who is a Member of Australian Institute of Geoscientists (AIG). Mr Peebles is employed by Darlington Geological Services Pty Ltd and is also a Director of Darlington Geological Services Pty Ltd. Mr Peebles 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 Peebles consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

INFORMATION ON DIRECTORS

Dr James Ellingford	***Non-Executive Chairman***
D.Mgt, MBA, Post Grad Corp Man, AICD	Dr Ellingford's professional life culminated in being President of an international publicly listed billion dollar business with its headquarters in Geneva, Switzerland and New York, USA. He has vast experience in the international arena and has successfully developed close ties with both financial institutions as well as governments throughout the world. Dr Ellingford holds a Post Graduate in Corporate Management, a Masters in Business Administration as well as a Doctorate in Management. Dr Ellingford also lectures MBA students in Corporate Governance at a leading Sydney University and has a keen interest in ethics and governance.
Interest in Shares and Options	519,146 fully paid ordinary shares 33,334 options exercisable at $0.45 on 30/11/2018 500,000 options exercisable at $0.05 on 25/11/2019 500,000 options exercisable at $0.05 on 27/11/2020

Directorships held in other listed entities in last 3 years	Creso Pharma Limited (since 20 November 2015) Zyber Holdings Limited (9 January 2014 until 1 February 2016) Burrabulla Corporation Limited (18 May 2016 until 14 August 2017) Elysium Resources Limited (since 3 March 2017) Manalto Limited (since 15 September 2017) MinRex Limited (since 3 November 2017)
Date of appointment	8 November 2011
Mr Terence Clee	***Executive Director***
	Mr Clee started his professional career at KPMG Sydney, working in Corporate Audit and Tax. He then became a partner in a multidisciplinary legal practice alongside colleagues formerly of Allens Arthur Robinson and Ashurst. Mr Clee's client base comprised of large corporates in the mining and technology space. Mr Clee also has experience in the start-up and small cap space. He has advised technology companies and miners of all sizes on commercialisation, mergers and acquisitions, cross-border transactions and R&D. Mr Clee holds a Bachelor of Commerce (Accounting) and a Bachelor of Laws from the University of NSW. Mr Clee is a solicitor admitted to the Supreme Court of NSW. He currently serves as a director of numerous ASX listed and unlisted companies.
Interest in Shares and Options	250,000 ordinary fully paid shares 500,000 options exercisable at $0.05 on 27/11/2020
Directorships held in other listed entities in last 3 years	Elysium Resources Limited (since 18 May 2016) Manalto Limited (since 15 September 2017) JV Global Limited (since 9 February 2018)
Date of appointment	12 August 2015
Mr Matthew Perrot	***Non-Executive Director (appointed as a Director on 23 April 2018)***
BSc, MBA	Mathew Perrot is highly qualified and holds a Bachelor of Applied Science focused on economic geology, soil science, with a minor specialization in remote sensing as well as, a Masters of Business Administration. Mathew Perrot is also a Registered Practising Geologist and is a member of the Australian Institute of Geoscientists (since 1997). As such, Mr Perrot is considered a Competent Person under JORC and NI43-101. Mr Perrot's multi commodity background includes a variety of commodities and mineralisation styles, including Gold (Orogenic, Epithermal, Skarn), Nickel (high and low MgO systems), Base Metals (Porphyry systems, VMS) Iron Ore (Magnetite and Hematite), and Geothermal energy and he has been associated with the discovery of the Majestic (Au), Imperial (Au), Collurabie (Ni), Accumulator (Au), Batavia (Au), Taunovo (Au-Cu-Mo) and Shimba (Graphite) deposits and was associated with the development of Salt Creek (Au), Maxwell's (Au), Iron Duke (Fe – Haem), Ntaka Hill (Ni-Cu), Lionja (Ni-Cu), Wainivesi (Zn, Cu, Pb, Ag, Au), Balmoral (Fe – Mag) and Savu Savu (Geothermal).
Interest in Shares and Options	9,800,000 ordinary fully paid shares
Directorships held in other listed entities in last 3 years	None
Date of appointment	23 April 2018

Mrs Elizabeth Hunt	***Non-Executive Director (30 January 2018 to 13 June 2018)*** ***Company Secretary (until 27 August 2018)***
BSc, MAcc, FGIA, GAICD	Mrs Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. Mrs Hunt has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management. Mrs Hunt holds a BSc degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors. Mrs Hunt has been Company Secretary of a number of ASX listed entities.
Interest in Shares and Options (on resignation)	3,449 fully paid ordinary shares
Directorships held in other listed entities in last 3 years	None
Term of appointment	5 months
Mr Peter Peebles	***Non-Executive Director (Technical) (resigned 30 January 2018)***
BA (Esc), MAusIMM, AIG	Mr Peebles is a geologist, with 30 years' experience in gold, manganese, lateritic nickel, uranium, iron ore and base metals. He has worked extensively within the Yilgarn and Pilbara regions of Western Australia as well as in the Kimberley. He has also worked in the Philippines, China, Mongolia and New Zealand. He has been Exploration Manager, Project Manager and Mine Manager for both large and small public companies as well as being a consultant geologist. Mr Peebles is Victory Mines' Technical Director and is a Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.
Interest in Shares and Options (on resignation)	428,609 fully paid ordinary shares 6,667 options exercisable at $0.45 on 30/11/2018 100,000 options exercisable at $0.05 on 25/11/2019 100,000 options exercisable at $0.05 on or before 27/11/2020
Directorships held in other listed entities in last 3 years	None
Term of appointment	17 months

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Victory and for the executives receiving the highest remuneration.

1. Employment Agreements

Under the terms of agreement, Mr Clee is entitled to a $84,000 per annum base remuneration (normal business hours) exclusive of statutory superannuation. Under Board supervision; additional hours, travel, site visits, special assignments, after hours and weekends are billed at hourly rates. The executive's remuneration is reviewed annually by the non-executive directors. There is no fixed term to Mr Clee's appointment, however the appointment is subject to the provisions of the Company's Constitution to relating to the retirement by rotation and re-election of directors and will cease at the end of any meeting at which Mr Clee is not re-elected as a director by shareholders of the Company. At any time Mr Clee wishes to resign, he is to resign by written notice, or otherwise in accordance with the Company's Constitution.

Appointments of non-executive directors James Ellingford and Peter Peebles are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act.

Dr Ellingford is entitled to a base directors' fee of $84,000 per annum (normal business hours) exclusive of statutory superannuation, effective 1 March 2018. Under Board supervision; additional hours, travel, site visits, special assignments, after hours and weekends are billed at hourly rates. Annually the Company will issue Dr Ellingford 250,000 shares and 500,000 options, subject to shareholder approval.

Mrs Hunt was appointed as Non-Executive Director on 30 January 2018. Mining Corporate Pty Ltd was paid $25,000 for her Non-Executive Director fees during 2018 financial year.

Mr Perrot was appointed as Non-Executive Director on 23 April 2018. Mr Perrot received $7,933 for his Non-Executive Director fees during 2018 financial year.

Mr Peebles was entitled to receive directors' fee of $48,000 per annum exclusive of statutory superannuation and in addition, a daily rate of $1,500 will be paid for geological consulting services as provided. Annually the Company will issue Mr Peebles 100,000 shares and 100,000 options.

2. Remuneration policy

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. Currently those long-term incentives include shares and options acquired by the executives prior to the Australian Securities Exchange listing of the Company and future shares and options as set out above. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of shares and options. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Board's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive director receives a superannuation guarantee contribution required by the government, which as at the date of this report is 9.5%, and does not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed, or capitalised to exploration expenditure if appropriate. Options, if given to directors and executives as remuneration, are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan.

3. Options issued as part of remuneration for the period ended 30 June 2018

During the period the following options, exercisable at $0.05 on 27 November 2020, were issued to directors

- 500,000 options to James Ellingford
- 500,000 options to Terence Clee
- 100,000 options to Peter Peebles

4. Details of remuneration for the period ended 30 June 2018

The remuneration for each key management personnel of the Company during the 2018 financial year was paid or due to be paid as follows:

Key Management Person	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Termination Benefits	Total	Value of Options Remuneration	Performance Related
	Cash, salary & bonuses	Super-annuation	Other	Equity	Options				
	$	$	$	$	$	$	$	%	%
Directors									
James Ellingford (i)	147,467	14,009	-	458	1,547	-	163,481	0.95	-
Terence Clee	133,000	-	-	458	1,547	-	135,005	1.15	-
Elizabeth Hunt (ii)	25,000	-	-	-	-	-	25,000	-	-
Mathew Perrot (iii)	7,933	-	-	-	-	-	7,933	-	-
Peter Peebles (iv)	32,000	3,040	-	184	619	-	35,843	1.73	-
	345,400	**17,049**	**-**	**1,100**	**3,713**	**-**	**367,262**	**1.01**	**-**

(i) Effective 1 March 2018, Dr Ellingford's fee decreased to $84,000 per annum (exclusive of superannuation).

(ii) Elizabeth Hunt was appointed as Non-Executive Director on 30 January 2018; resigned 13 June 2018.

(iii) Mathew Perrot was appointed as Non-Executive Director on 23 April 2018.

(iv) Peter Peebles resigned as Non-Executive Director on 30 January 2018.

The remuneration for each key management personnel of the Company during the 2017 financial year was paid or due to be paid as follows:

Key Management Person	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Termination Benefits	Total	Value of Options Remuneration	Performance Related
	Cash, salary & commissions	Super-annuation	Other	Equity	Options				
	$	$	$	$	$	$	$	%	%
Directors									
James Ellingford	150,000	12,350	-	500(i)	3,212(i)	-	166,062	1.93	-
Peter Peebles (ii)	41,391	3,932	-	100(i)	1,285(i)	-	46,708	2.75	-
Elizabeth Hunt (iii)	8,000	-	-	-	-	-	8,000	-	-
Terence Clee (iv)	96,500	-	-	-	-	-	96,500	-	-
	295,891	**16,282**	**-**	**600**	**4,497**	**-**	**317,270**	**3.37**	**-**

(i) James Ellingford and Peter Peebles were issued shares and options as per their contract agreements with the Company and as approved by shareholders.

(ii) Peter Peebles was appointed as Non-Executive Director on 22 August 2016.

(iii) Elizabeth Hunt resigned as Non-Executive Director on 19 August 2016

(iv) Terence Clee was appointed as an Executive Director on 7 April 2017. Mr Clee's fees increased to $84,000 per annum (exclusive of superannuation).

5. Options and Rights Over Equity Instruments Granted as Compensation

Details of options over ordinary shares in the Company that were granted during 2018 financial year are as follows. Options are valued using the Black & Scholes valuation method.

Director/Key Management Personnel	Number Options Granted	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Number Options Vested During Period
James Ellingford	500,000	29 November 2017	$0.0042	$0.05	27 November 2020	500,000
Terence Clee	500,000	29 November 2017	$0.0042	$0.05	27 November 2020	500,000
Peter Peebles	100,000	29 November 2017	$0.0042	$0.05	27 November 2020	100,000

No options have been exercised or lapsed during the period.

5. Options and Rights Over Equity Instruments Granted as Compensation (continued)

Details of options over ordinary shares in the Company that were granted in 2017 are as follows. Options are valued using the Black & Scholes valuation method.

Director/Key Management Personnel	Number Options Granted	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Number Options Vested During Period
James Ellingford	500,000	25 November 2016	$0.0071	$0.05	25 November 2019	500,000
Peter Peebles	100,000	25 November 2016	$0.0071	$0.05	25 November 2019	100,000

No options have been exercised or lapsed during the period.

Shareholdings

Number of Shares held by Key Management Personnel during the 2018 financial year was as follows:

Director / Key Management Personnel	Balance 01.07.2017 No.	Net Change due to consolidation No.	Granted as Compensation No.	Acquired	Balance 30.06.2018 No.
James Ellingford	269,146	-	250,000	-	519,146
Terence Clee	-	-	250,000	-	250,000
Elizabeth Hunt[(i)]	3,449	-	-	-	3,449
Mathew Perrot [(ii)]	-	-	-	9,800,000	9,800,000
Peter Peebles[(iii)]	328,609	-	100,000	-	428,609
Total	**601,204**	**-**	**600,000**	**9,800,000**	**11,001,204**

(i) Elizabeth Hunt was appointed as Non-Executive Director on 30 January 2018; resigned 13 June 2018.

(ii) Mathew Perrot was appointed as Non-Executive Director on 23 April 2018.

(iii) Peter Peebles resigned as Non-Executive Director on 30 January 2018.

5. Options and Rights Over Equity Instruments Granted as Compensation (continued)

Shareholdings

Number of Shares held by Key Management Personnel during the 2017 financial year was as follows:

Director / Key Management Personnel	Balance 01.07.2016 No.	Net Change due to consolidation No.	Granted as Compensation No.	Acquired	Balance 30.06.2017 No.
James Ellingford	287,144	(267,998)	250,000	-	269,146
Peter Peebles(ii)	182,346(iii)	(170,187)	100,000	216,450	328,609
Elizabeth Hunt(i)	51,716	(48,267)	-	-	3,449(iv)
Terence Clee	-	-	-	-	-
Total	**521,206**	**(486,452)**	**350,000**	**216,450**	**601,204**

(i) Mrs Hunt resigned as Non-Executive Director on 19 August 2016;

(ii) Mr Peebles was appointed as Non-Executive Director on 22 August 2016;

(iii) Balance at appointment;

(iv) Balance at resignation.

Options Holdings

Number of Options held by Key Management Personnel during the 2018 financial year was as follows:

	Balance 01.07.2017 No.	Granted as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.06.2018 No.	Total Vested 30.6.2018 No.
Directors						
James Ellingford	533,334	500,000	-	-	1,033,334	1,033,334
Terence Clee	-	500,000	-	-	500,000	500,000
Elizabeth Hunt (i)	-	-	-	-	-	-
Mathew Perrot (ii)		-	-	-	-	-
Peter Peebles(iii)	106,667	100,000	-	-	206,667	206,667
Total	**640,001**	**1,100,000**	**-**	**-**	**1,740,001**	**1,740,001**

(i) Elizabeth Hunt was appointed as Non-Executive Director on 30 January 2018.

(ii) Mathew Perrot was appointed as Non-Executive Director on 23 April 2018.

(iii) Peter Peebles resigned as Non-Executive Director on 30 January 2018.

5. Options and Rights Over Equity Instruments Granted as Compensation (continued)

Options Holdings

Number of Options held by Key Management Personnel during the 2017 financial year was as follows:

	Balance 01.07.2016 No.	Granted as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.06.2017 No.	Total Vested 30.6.2017 No.
Directors						
James Ellingford	542,858	500,000	-	(509,524)	533,334	533,334
Peter Peebles[ii]	108,572[iii]	100,000	-	(101,905)	106,667	106,667
Elizabeth Hunt [i]	8,929	-	-	(8,929)	-[iv]	-
Terence Clee	-	-	-	-	-	-
Total	**660,359**	**600,000**	**-**	**(620,358)**	**640,001**	**640,001**

(i) Mrs Hunt resigned as Non-Executive Director on 19 August 2016;

(ii) Mr Peebles was appointed as Non-Executive Director on 22 August 2016;

(iii) Balance at appointment;

(iv) Balance at resignation.

Other transactions with Key Management Personnel

2018

- Darlington Geological Services, a company of which the Technical Director, Peter Peebles was a director during the financial year, was due to be paid an aggregate amount of $19,500 for geological services rendered.
- Mathew Perrot Consultant Geologist, a company of which the Non-Executive Director, Mathew Perrot was a director during the financial year, was due to be paid an aggregate amount of $ 2,530 for geological services rendered.
- Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt was a director of during part of financial year, was paid or due to be paid $124,663 for company secretarial, compliance for acquisition of subsidiary, accounting and bookkeeping services.

2017

- Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt is a director of, was paid or due to be paid $133,554 for company secretarial, compliance for acquisition of subsidiary, accounting and bookkeeping services.
- Darlington Geological Services, a company of which the Technical Director, Peter Peebles was a director during the financial year, was due to be paid an aggregate amount of $17,325 for geological services rendered.

The Company received 100% of "yes" votes (on a show of hands) on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration packages.

End of Remuneration Report

MEETINGS OF DIRECTORS

During the financial period, 12 meetings of directors were held. Attendances by each director during the period were as follows:

	Board meetings - eligible to attend	Board meetings - attended
James Ellingford	12	12
Terence Clee	12	12
Elizabeth Hunt	4	4
Mathew Perrot	3	2
Peter Peebles	5	5

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information, other than as disclosed this report, about likely developments in the operations of the Company and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The Company's operations are subject to significant environmental regulation under the law of the Commonwealth and State in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations. The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial period. The directors will reassess this position as and when the need arises.

The Company's operations in Bolivia are governed by Bolivian national government environmental regulations. These are generally of a lower standard to those in Australia. As Gondwanaland holds its project interests via a series of preliminary contracts it is not considered that Gondwanaland has any current exposure to environmental liabilities.

INDEMNIFYING AND INSURANCE OF OFFICERS

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

OPTIONS

At the date of this report, the unissued ordinary shares of Victory Mines Limited under option are as follows:

Date of Expiry	Exercise Price	Number under Option
30 November 2018	$0.45	46,668
25 November 2019	$0.05	600,000
27 November 2020	$0.05	1,100,000
28 December 2020	$0.02	603,752,013

During the period, no ordinary shares of Victory Mines Limited were issued on the exercise of options. No further shares have been issued as a result of the exercise of options since year end.

7,620 unquoted options exercisable at $105.00 expired unexercised on 9 October 2017.

PERFORMANCE SHARES

As at the date of this report, the Company has 142,857,143 Performance Shares on issue.

Under the terms of the binding agreement to acquire 100% of the issued capital of Cobalt Prospecting Pty Ltd, the Company issued 142,857,143 performance shares that each will convert into one Victory Share upon the announcement confirming that one 4m intersection with an average grade of 300ppm scandium (Sc) or 600ppm cobalt has been achieved from a drilling program on the tenements within three (3) years of Settlement (Milestone).

Under the terms for the acquisition of the Bonaparte tenements acquired during the year, the Company will issue Bonus Shares to the vendors on the achievement of the following performance milestones:

- 5,000,000 ordinary shares upon confirmation of a JORC probable reserve of 10m pounds at 10% copper or zinc or lead equivalent (Milestone 1);
- 5,000,000 ordinary shares upon confirmation of a JORC probable reserve of 20m pounds at 10% copper or zinc or lead equivalent (Milestone 2).

No Performance Shares were converted or redeemed during the financial year.

No Performance Share milestones were met during the financial year.

<u>Summary of terms and conditions of the Performance Shares</u>

(a) (**Performance Shares**): Each Performance Share is a share in the capital of Victory.

(b) (**General Meetings**): Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Victory that are circulated to Victory shareholders. Holders have the right to attend general meetings of Victory's shareholders.

(c) (**No Voting Rights**): Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Victory's shareholders, subject to any voting rights under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules where such rights cannot be excluded by these terms.

(d) (**No Dividend Rights**): Performance Shares do not entitle the Holder to any dividends.

(e) (**No Return of Capital Rights**): Performance Shares do not entitle the Holder to any right to a return of capital, whether on a winding up, upon a capital reduction or otherwise.

PERFORMANCE SHARES (continued)

(f) (**No Rights on Winding Up**): Upon winding up of Victory, Performance Shares may not participate in the surplus profits or assets of Victory.

(g) (**Transfer of Performance Shares**): Performance Shares are not transferable.

(h) (**Reorganisation of Capital**): In the event that the issued capital of Victory is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.

(i) (**Application to ASX**): Performance Shares will not be quoted on ASX. Upon conversion of Performance Shares into Victory Shares and VICOA Options in accordance with these terms, Victory must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of Victory Shares and VICOA Options arising from the conversion.

(j) (**Participation in Entitlements and Bonus Issues**): Subject always to the rights under item (h) (Reorganisation of Capital), Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Victory Shares such as bonus issues and entitlement issues.

(k) (**Amendments required by ASX**): The terms of Performance Shares may be amended as necessary by the board of directors of Victory in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(l) (**No Other Rights**): Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of Performance Shares

(a) (**Milestones and Conversion**): Each Performance Shares will automatically convert into one Share (with one VICOA Option being issued for every two Shares issued) upon the announcement to ASX by Victory that one 4m intersection with an average grade of 300ppm scandium (Sc) or 600ppm cobalt has been achieved from a drilling program on the Tenements within three years of their issue date (**Milestone**).

(b) (**Change in Control**): Upon:

(i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of Victory and:

(A) having received acceptances for not less than 50.1% of Victory's shares on issue; and

(B) having been declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Victory or its amalgamation with any other company or companies,

PERFORMANCE SHARES (continued)

then, to the extent the Performance Shares have not converted into Victory Shares due to satisfaction of a Milestone, the Performance Shares automatically convert to that number of Victory Shares which when issued together with all Victory Shares issued under any other class of performance shares then on issue in Victory, is equal to the lesser of one Victory Share per Performance Share and 10% of the total Victory Shares on issue at that time. Performance Shares that are not converted into Victory Shares will continue to be held by the holder on the same terms and conditions.

(c) (**Deferral of conversion if resulting in a prohibited acquisition of Shares**) If the conversion of a Performance Share under paragraph (b) or (c) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

(i) Holders may give written notification to Victory if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle Victory to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(ii) Victory may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (c)(i) within seven days if Victory considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle Victory to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(d) (**Redemption if Milestone not achieved**) If the relevant Milestone is not achieved by the required date, then each Performance Share in that class will be automatically redeemed by the Company for the sum of $0.00001 within 10 Business Days of non- satisfaction of the Milestone.

(e) (**After Conversion**): Victory Shares and VICOA Options issued on conversion of the Performance Shares will, upon and from their issue, rank equally with and confer rights identical with all other Victory Shares and VICOA Options (respectively) then on issue and application will be made by Victory to ASX for official quotation of Victory Shares and VICOA Options issued upon conversion (subject to complying with any restriction periods required by the ASX).

(f) (**Conversion Procedure**): Victory will issue the Holder with a new holding statement for Victory Shares and VICOA Options as soon as practicable following the conversion of the Performance Shares into Victory Shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

NON-AUDIT SERVICES

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2018 (2017: Nil).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 30 June 2018 has been received and can be found on page 22 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Terence Clee
Executive Director
Dated this 26th day of September 2018

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Victory Mines Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**MARK DELAURENTIS CA**
Chartered Accountants	**Partner**

Dated at Perth this 26th day of September 2018

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Independent Auditor's Report

To the Members of Victory Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Victory Mines Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1b in the financial report which indicates that the Consolidated Entity incurred a net loss of $3,002,429 during the year ended 30 June 2018. As stated in Note 1b, these events or conditions, along with other matters as set forth in Note 1b, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Acquisition of Cobalt Prospecting Pty Ltd During the year, the Consolidated Entity completed its acquisition of Cobalt Prospecting Pty Ltd via cash consideration and the issue of shares. As disclosed in note 10, the transaction was accounted for as an asset acquisition with a deemed consideration of $10,957,142, respectively. This was a key audit matter due to: – The size of the transaction having a pervasive impact on the financial statements; and – The complexity in identifying the elements of consideration and the judgement applied by the Consolidated Entity in determining its fair value.	Procedures performed as part of our assessment of the transaction to determine if the appropriate accounting treatment was applied, included: – Review of signed contractual agreements relating to the acquisition and understanding the key terms and conditions of the transaction; – Critically evaluating the accounting treatment in accordance with the relevant Australian Accounting Standards; – Assessment of the calculation of the deemed consideration with underlying information inputs including share price at grant date with the terms of the acquisition agreement; – Evaluating the acquisition date balance sheet of the acquiree with reference to the acquisition agreement and supporting documentation; – Evaluating the key assumptions used to value the consideration paid, which included 142,857,143 performance shares including the probability of the performance milestones being met as disclosed in note 10 of the financial statements; – Assessing the adequacy of the disclosures in note 10 of the financial statements.

Key audit matter	How our audit addressed the key audit matter

Exploration and evaluation expenditure
 	
As disclosed in note 10 to the financial statements, as at 30 June 2018, the Consolidated Entity's capitalised exploration and evaluation expenditure was carried at $12,218,338.
 	
The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to:
 	
– The carrying value represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and
 	
– Determining whether impairment indicators exist involves significant judgement by management
	Our audit procedures included but were not limited to:
	
	– Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6");
	
	– Assessing the Consolidated Entity's rights to tenure for a sample of tenements;
	
	– Testing the Consolidated Entity's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
	
	– By testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs:
	
	  – The licenses for the rights to explore expiring in the near future or are not expected to be renewed;
	
	  – Substantive expenditure for further exploration in the area of interest is not budgeted or planned;
	
	  – Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
	
	  – Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018. The directors of the Consolidated Entity are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Consolidated Entity, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 26th day of September 2018

Victory Mines Limited

ABN 39 151 900 855

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue	3	28,334	32,615
Recovery of impaired loan	9	218,516	-
Administration expenses		(250,463)	(391,435)
Consulting fees		(184,285)	(51,086)
Marketing, promotions & IR expenses		(418,633)	(392,356)
Corporate consulting expenses		(364,752)	(593,680)
Mining & project consulting expenses		-	(714,808)
Directors fees		(345,400)	(295,891)
Impairment of exploration expenditure	10	(473,303)	(503,067)
Employee benefits expense		(31,323)	(19,301)
Write off – pre acquisition costs		(309,483)	-
Share based payments	19	(600,588)	(355,485)
Finance costs	4	(2,104)	(76,325)
Loss on disposal of subsidiary		(150,020)	-
Other expenses	4	(118,925)	(163,292)
Loss before income tax expense		**(3,002,429)**	**(3,524,111)**
Income tax expense	2	-	-
Loss after income tax expense for the year		**(3,002,429)**	**(3,524,111)**
Other comprehensive income			
Other Comprehensive Income that may be reclassified subsequently to profit and loss		-	-
Foreign currency translation		(113,148)	-
Total comprehensive income/(loss) for the year		**(3,115,577)**	**(3,524,111)**
Loss for the year is attributable:			
Non-controlling interest		-	-
Owners of the parent		(3,115,577)	(3,524,111)
		(3,115,577)	(3,524,111)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of the parent		(3,115,577)	(3,524,111)
		(3,115,577)	(3,524,111)
Loss Per Share			
Basic and diluted loss per share (cents per share)	5	(0.38)	(1.80)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	818,553	1,702,585
Trade and other receivables	7	26,253	28,783
Other assets	8	15,972	39,346
TOTAL CURRENT ASSETS		**860,778**	**1,770,714**
NON-CURRENT ASSETS			
Plant and equipment		5,019	-
Exploration and evaluation expenditure	10	12,218,338	46,780
TOTAL NON-CURRENT ASSETS		**12,223,357**	**46,780**
TOTAL ASSETS		**13,084,135**	**1,817,494**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11a	323,965	396,830
Loans Payable	11b	-	30,000
TOTAL CURRENT LIABILITIES		**323,965**	**426,830**
TOTAL LIABILITIES		**323,965**	**426,830**
NET ASSETS		**12,760,170**	**1,390,664**
EQUITY			
Issued capital	12	20,283,761	15,122,728
Reserves	13	9,457,715	509,733
Accumulated losses		(16,981,306)	(13,978,877)
Equity attributable to the owners of the Parent		12,760,170	1,653,584
Non-controlling interest		-	(262,920)
TOTAL EQUITY		**12,760,170**	**1,390,664**

The accompanying notes form part of these financial statements.

Victory Mines Limited
ABN 39 151 900 855

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Reserves	Accumulated losses	Non-Controlling interest	Total
	$	$	$	$	$
Balance at 1 July 2017	**15,122,728**	**509,733**	**(13,978,877)**	**(262,920)**	**1,390,664**
Loss for the period	-	-	(3,002,429)	-	(3,002,429)
Other comprehensive income	-	(113,148)	-	-	(113,148)
Total comprehensive income	-	(113,148)	(3,002,429)	-	(3,115,577)
Transactions with owner directly recorded in equity					
Deregistration of subsidiary	-	-	-	262,920	262,920
Contributions of equity	2,200,000	-	-	-	2,200,000
Contributions of equity – SBP	3,294,400	-	-	-	3,294,400
FV of equity issued during the period	-	5,455,214	-	-	5,455,214
FV of options issued during the period	-	3,605,916	-	-	3,605,916
Share transactions costs	(333,367)	-	-	-	(333,367)
Balance at 30 June 2018	**20,283,761**	**9,457,715**	**(16,981,306)**	**-**	**12,760,170**

	Issued Capital	Reserves	Accumulated losses	Non-Controlling interest	Total
	$	$	$	$	$
Balance at 1 July 2016	**11,009,463**	**115,948**	**(10,454,766)**	**(262,920)**	**407,725**
Loss for the period	-	-	(3,524,111)	-	(3,524,111)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(3,524,111)	-	(3,524,111)
Transactions with owner directly recorded in equity					
Contributions of equity	2,865,937	-	-	-	2,865,937
Contributions of equity – SBP	1,565,200	389,515	-	-	1,954,715
Options issued during the period	-	4,270	-	-	4,270
Share transactions costs	(317,872)	-	-	-	(317,872)
Balance at 30 June 2017	**15,122,728**	**509,733**	**(13,978,877)**	**(262,920)**	**1,390,664**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,716,177)	(1,393,199)
Exploration and evaluation expenditure		(827,967)	(46,780)
Interest paid		-	(1,325)
Interest received		28,288	13,987
Net cash (used in) operating activities	16	**(2,515,856)**	**(1,427,317)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans repaid by other entities		221,766	-
Purchase of equipment		(6,575)	-
Purchase of tenements		(250,000)	-
Payment of exploration asset acquired		(200,000)	-
Net cash (used in) provided by investing activities		**(234,809)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,200,000	2,865,937
Proceeds from issue of convertible note		-	300,000
Payment of transaction costs associated with capital raising		(333,367)	(235,373)
Repayment of borrowings		-	(13,860)
Net cash provided by financing activities		**1,866,633**	**2,916,704**
Net increase/ (decrease) in cash held		(884,032)	1,489,387
Cash at beginning of financial period		1,702,585	213,198
Cash at end of financial period	6	**818,553**	**1,702,585**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Victory Mines Limited and Controlled Entities (the "Company"). Victory Mines is a public Company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 26th September 2018 by the directors of the Company.

Basis of Preparation
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report is presented in Australian dollars.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Disposal of entity

On 20 December 2017, the Group voluntarily deregistered its subsidiary, South American Tin Pty Ltd. As at the date of disposal the net assets of the Company were nil, therefore no profit or loss was recognised on the disposal.

Accounting Policies
The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

a) Principles of Consolidation

A controlled entity is an entity over which Victory Mines Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the year ended 30 June 2018 of $3,002,429 (2017: $3,254,111) and net cash outflows from operating activities of $2,515,856 (2017: $1,427,317), and as at that date had a working capital surplus of $536,813 (2017: $1,343,884).

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company successfully raising additional capital, and managing cash flow in line with available funds.

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

c) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).
Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

c) Income Tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d) Plant and Equipment

Items of plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment	40.0%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

e) Exploration and Evaluation Expenditure (continued)

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

f) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

f) Financial Instruments (continued)

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- Financial assets at fair value through profit and loss

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

- Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

- Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

- Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

g) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

g) Fair Value (continued)

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates equity-settled share-based payment employee share, option schemes and other equity-settled share-based payments. The fair value of the equity and other equity-settled share based payments to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares and other equity-settled share-based payments are ascertained as the market bid price. The fair value of options and preference shares is ascertained using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares, other equity-settled share-based payments and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

l) Borrowing Costs

All borrowing costs are recognised as expense in the period in which they are incurred.

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(e).

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 18.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model, or the quoted bid price where applicable.

o) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.
When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.
When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

p) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2018. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 July 2018).
The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments requirements for financial instruments and hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

p) New accounting standards for application in future periods (continued)

The Group is in the process of completing its impact assessment of AASB 9. Based on a preliminary assessment performed, the effects of AASB 9 are not expected to have a material effect on the Group.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Group is in the process of completing its impact assessment of AASB 15. Based a preliminary assessment performed over each line of business and product type, the effects of AASB 15 are not expected to have a material effect on the Group.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

The Group is in the process of completing its impact assessment of AASB 15. Based on a preliminary assessment performed, the effects of AASB 15 are not expected to have a material effect on the Group given revenue generating activities have not commenced as at the date of this report.

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 July 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the New Standard are as follows:

- recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term 12 months or less of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in lien with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

p) New accounting standards for application in future periods (continued)

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed, the effect of AASB 16 is not expected to have a material effect on the Group. It is impracticable at this stage to provide a reasonable estimate of such impact.

	2018	2017
	$	$

NOTE 2: INCOME TAX EXPENSE

	2018 $	2017 $
a. Recognised in the income statement:		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of comprehensive income	-	-
b. Reconciliation of income tax expense to prima facie tax payable:		
Loss from ordinary activities before income tax expense	(3,002,429)	(3,524,111)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(900,729)	(1,057,233)
Increase in income tax due to:		
- Non-deductible expenses	999,099	854,115
- Current period tax losses not recognised	486,170	399,873
- Derecognition of previously recognised tax losses	-	-
- Current year capital losses not recognised	-	-
- Movement in unrecognised temporary differences	34,639	-
Decrease in income tax expense due to:		
- Deductible equity raising costs	(41,936)	(83,477)
- Movement in unrecognised temporary differences	-	(10,947)
- Other deductible expenses	-	-
- Non-assessable income	(577,243)	(102,330)
Income tax attributable to operating loss	-	-
c. Recognised deferred tax assets		
Tax losses	-	-
Accruals	6,553	6,721
Plant & Equipment	-	-
Previously Expensed Blackhole Costs	-	-
Total	6,553	6,721
Less: Set off of deferred tax liabilities	6,553	6,721
Net deferred tax asset	-	-

	2018 $	2017 $
d. Recognised deferred tax liabilities		
Exploration expenditure	(153,740)	-
Unearned Income	(518)	(6,721)
Total	(154,258)	(6,721)
Less: Set off of deferred tax assets	(154,258)	(6,721)
Net deferred tax liabilities	-	-

e. Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%:

Deferred tax assets have not been recognised in respect of the following (30%):

	2018 $	2017 $
Deductible temporary differences	120,987	61,331
Tax revenue losses	3,946,034	3,462,760
Tax capital losses	128,510	27,773
Total Unrecognised deferred tax assets (30%)	4,195,531	3,551,864

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2018 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 3: REVENUE

	Consolidated	
	2018 $	2017 $
Interest received	28,334	18,032
Other income	-	14,583
Total Revenue	28,334	32,615

NOTE 4: OTHER EXPENSES	2018 $	2017 $
Other expenses	72,251	121,245
Communication expenses	18,527	9,490
Pre-Acquisition costs	25,573	24,575
Loss on foreign exchange	2,574	7,982
Total Other Expenses	118,925	163,292

FINANCE COSTS		
Interest expense	2,104	76,325

NOTE 5: EARNINGS PER SHARE	2018 Cents per share	2017 Cents per share
Basic and diluted loss per share	(0.38)	(1.80)

The loss and weighted average number of ordinary shares used in this calculation of basic and diluted loss per share are as follows:

	$	$
Loss	(3,002,429)	(3,524,111)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	788,198,463	195,731,518

As the Company is in a loss position the options outstanding at 30 June 2018 have no dilutive effects on the earnings per share calculation.

	Consolidated	
	2018 $	2017 $
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash and Cash at bank	543,553	392,054
Term deposit	275,000	1,310,531
	818,553	**1,702,585**

	Consolidated 2018 $	Consolidated 2017 $
NOTE 7: TRADE AND OTHER RECEIVABLES		
Current		
GST receivable	24,528	27,104
Other debtors	1,725	1,679
	26,253	**28,783**
NOTE 8: OTHER ASSETS		
Current		
Prepayments	15,972	39,233
Other assets	-	113
	15,972	**39,346**

NOTE 9: LOANS RECEIVABLE

During the 2017 financial year, the Company entered into an Amendment to the Loan Agreement with Milestone Sport Ltd and reduced the loan balance payable by Milestone to US$250,000. As at 30 June 2017, the Company fully provided for impairment of the loan receivable amount of USD $250,000 (A$328,455). As at 30 June 2018, the Company forgave a total of USD $80,553.88 (A$109,939) loan receivable amount.

During the 2018 financial year, Victory entered into a settlement agreement with Milestone Sports Ltd whereby Victory would receive a total of USD$169,446.12 in full and final settlement of the outstanding loan balance, on or before 3 June 2018. This supersedes the above agreement. The settlement was received by Victory in full on 31 May 2018.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE	Consolidated 2018 $	Consolidated 2017 $
Exploration expenditure capitalised		
- Exploration and evaluation phase	12,691,641	496,780
- Less Impairment	(473,303)	(450,000)
	12,218,338	46,780
A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:		
- Carrying amount at the beginning of the period	46,780	450,000
- Costs capitalised during the period	809,810	46,780
- Costs impaired during the period *	(473,303)	(450,000)
- Acquisition and fair value of Bonaparte tenements**	904,500	-
- Acquisition and fair value of Cobalt Prospecting Pty Ltd***	10,930,551	-
Carrying amount at the end of the period	**12,218,338**	**46,780**

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE (continued)

* During the financial year, the Company assessed its exploration projects for impairment and determined an impairment loss of $473,303 (2017: $450,000) relating to its Bolivia project as a result of a proposed legal entity restructure of the Bolivian project.

During the financial year, the Company further impaired $309,483 through the statement of profit & loss and other comprehensive income for pre-acquisition costs incurred by the Company for potential exploration projects which were recognised through statement of profit & loss and other comprehensive income.

**On 18 July 2017, the Company entered into a Heads of Agreement to acquire Bonaparte tenements. The consideration for the acquisition was $100,000 cash payment to vendors and the issue of 20,000,000 fully paid ordinary shares in the capital of Victory to the vendors. The acquisition was completed in September 2017. The acquisition value of $904,500 represents the total fair value calculated on the acquisition. As part of the consideration, the Company will issue a total of 10,000,000 bonus shares to the vendors on the achievement of relevant performance milestones. Refer to Performance Shares section of Directors' Report for details. At this point in time, Directors assessed that it is unlikely the performance conditions will be met. Furthermore, as part of consideration the facilitation fee for Bonaparte acquisition consisted of $150,000 cash payment, 20,000,000 fully paid ordinary shares and 15,000,000 quoted options upon signing of a binding Heads of Agreement, 20,000,000 fully paid ordinary shares and 15,000,000 quoted options upon receipt of assay results from a minimum of two samples confirming average cobalt mineralisation of 0.5% and or zinc confirming average zinc mineralisation consistently with the recent XRF findings and 10,000,000 fully paid ordinary shares and 5,000,000 quoted options upon settlement of Heads of Agreement.

***On 14 November 2017, the Company entered into a binding agreement to acquire 100% issued capital of Cobalt Prospecting Pty Ltd ('CPPL'). Upon the execution of the binding agreement Victory issued 14,285,714 fully paid ordinary shares, 14,285,714 quoted options to the CPPL shareholders. The consideration terms at settlement were for Victory to issue 357,142,857 fully paid ordinary shares at a deemed price of $0.007 per share, 142,857,143 performance shares, 178,571,428 quoted options and a grant of 2% net smelter return royalty with respect to all minerals produced and sold from the four project areas and $200,000 cash payment to the vendors to be applied against expenditure costs incurred in establishing and maintaining the four project areas. As at 30 June 2018, the Board assessed 70% being the likelihood of performance shares milestone to be achieved. The acquisition value of $10,930,551 represents the total fair value calculated on the acquisition.

On 15 January 2018 the Shareholders approved the acquisition of 100% of issued capital of Cobalt Prospecting Pty Ltd.

The purchase consideration is as follows:

	$
-14,285,714 shares in Victory Mines Limited upon execution of binding agreement at a fair value of $0.01 per share	142,857
-14,285,714 options in Victory Mines Limited upon execution of binding agreement at a fair value of $0.003 per option	42,857
-357,142,857 consideration shares in Victory Mines Limited upon settlement of acquisition at a fair value of $0.02 per share	7,142,857
-178,571,428 consideration options in Victory Mines Limited upon settlement of acquisition at a fair value of $0.008	1,428,571
-142,857,143 performance shares in Victory Mines upon achievement of milestone (refer to Note 13 for details) at a fair value of $0.02	2,000,000
-Cash payment to the vendors – expenditure costs incurred	200,000
	10,957,142

The acquisition of Cobalt Prospecting Pty Ltd during the year was determined to be an asset acquisition as Cobalt Prospecting Pty Ltd did not constitute a business under the Accounting Standards. The excess consideration paid over the net assets of Cobalt Prospecting Pty Ltd totalling $10,930,551 becomes exploration expenditure on consolidation as per Note 10.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE (continued)

The Company had determined the fair value of the assets and liabilities of Cobalt Prospecting Pty Ltd as at the date of the acquisition as follows:

	$
Cash and cash equivalent	854
Receivables	25,737
Net Assets	26,591
Consideration in excess of net assets acquired are recognised as exploration and evaluation expenditure	10,930,551

NOTE 11: TRADE AND OTHER PAYABLES

	2018 $	2017 $
a. Current Liabilities		
Trade and other payables	323,965	396,830

Trade creditors are expected to be paid on 30 day terms.

b. Loans payable		
Loans payable to external parties	-	30,000

NOTE 12: ISSUED CAPITAL

	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
Opening contributed equity	15,122,728	11,009,463
Shares issued during the year for cash	2,200,000	2,865,937
Shares issued as consideration for acquisitions	2,740,000	-
Share based payments for services rendered	553,300	1,189,600
Share based payments to directors (note 18)	1,100	600
Shares issued for settlement of convertible loan/interest on convertible loan	-	375,000
Less: Share Issue Costs	(333,367)	(317,872)
Closing contributed equity	**20,283,761**	**15,122,728**

NOTE 12: ISSUED CAPITAL (continued)

(a) Issued Capital – Legal Parent Entity

	30 June 2018 Number	30 June 2017 Number
On issue at 1 July	413,656,247	559,548,184
Consolidation of issued capital	-	(583,377,974)
Shares issued during the year for cash	314,285,714	248,133,011
Shares issued as consideration for acquisitions	391,428,571	-
Share based payments for services rendered	105,945,714	189,353,026
Share based payments to directors (note 19)	600,000	-
Balance at 30 June	**1,225,916,246**	**413,656,247**

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

	2018 $	2017 $
Cash and cash equivalents	818,553	1,702,585
Trade and other receivables	26,253	28,783
Other assets	15,972	39,346
Trade and other payables	(323,965)	(396,830)
Loan payable	-	(30,000)
Working capital position	**536,813**	1,343,884

NOTE 12: ISSUED CAPITAL (continued)

A summary of the movements of all company options issued is as follows:

	Number	Weighted Average Exercise Price ($)
Options outstanding as at 1 July 2016	69,945,968	-
Issued	198,026,267	0.03
Forfeited	-	-
Exercised	-	-
Expired	(4,608,806)	-
Consolidation of capital	(65,282,874)	-
Options outstanding as at 30 June 2017	198,080,555	-
Options outstanding as at 1 July 2017	198,080,555	0.03
Issued	407,425,746	0.035
Forfeited	-	-
Exercised	-	-
Expired	(7,620)	105
Options outstanding as at 30 June 2018	605,498,681	0.02

The total options on issue at 30 June 2018 consist of the following classes.

Date of Expiry	Exercise Price	Number	Description
30 November 2018	$0.45	46,668	Unquoted
25 November 2019	$0.05	600,000	Unquoted
27 November 2020	$0.05	1,100,000	Unquoted
28 December 2020	$0.02	603,752,013	Quoted
		605,498,681	

NOTE 13: RESERVES

(a) Option Reserves	Consolidated 30 June 2018 $	Consolidated 30 June 2017 $
Opening reserves	509,733	115,948
Fair value assessment - equity issued during the year	5,455,214	389,515
Fair value assessment - options issued during the year	1,605,916	4,270
Fair value assessment - performance shares issued during the year	2,000,000	-
Foreign Exchange Translation	(113,148)	-
Closing reserves	**9,457,715**	**509,733**

NOTE 13: RESERVES (continued)

(b) Performance Shares issued

Grant Date	Vesting Date	Expiration Date	Number of rights issued	Fair Value per Right at Grant Date
15 January 2018	Satisfaction of milestone	3 years from the issue date	142,857,143	$0.02

Performance share value at grant date was determined using the performance milestone summarised in the table above. Each performance share will vest as one (1) Share (with one VICOA Option being issued for every two (2) Shares held) upon the announcement to the ASX by the Company that one 4m intersection with an average grade of 300ppm scandium (Sc) or 600ppm cobalt has been achieved from a drilling program on the tenements within three (3) years of their issue. As at 30 June 2018, the Board assessed 70% likelihood of the milestone being achieved. Refer to Performance Shares section of the Director’s Report for full details on Performance Shares.

NOTE 14: REMUNERATION OF KEY MANAGEMENT PERSONNEL

The totals of remuneration paid or due to be paid to the KMP of the Company during the period are as follows:

	2018 $	2017 $
Short-term employee benefits	345,400	295,891
Post-employment benefits	17,049	16,282
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	4,813	5,097
Total Remuneration paid or due to be paid	367,262	317,270

NOTE 15: AUDITORS’ REMUNERATION

	2018 $	2017 $
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	27,000	26,500
	27,000	26,500

NOTE 16: CASHFLOW INFORMATION

	2018 $	2017 $
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(3,002,429)	(3,524,111)
Non-cash flows in loss		
Share Based Payments	600,588	355,485
Shares issued in satisfaction of services	-	1,159,861
Write off – pre-acquisition costs	309,483	-
Other write-offs	45,971	-
Recovery of impaired loan	218,516	-
Exploration expenditure impaired	473,303	450,000
Loss on disposal of subsidiary	150,020	-
Interest expense	-	75,000
Changes in assets and liabilities;		
(Increase)/decrease in trade and other receivables	2,530	106,890
(Increase)/decrease in exploration expenditure	(1,240,973)	(39,329)
Increase/(decrease) in trade payables and accruals	(72,865)	(11,113)
Cashflow from operations	(2,515,856)	(1,427,317)

b. Non-cash Financing and Investing Activities

2018

On 4 and 21 August 2017 the Company issued shares to the value of $140,000 in lieu of purchase consideration to the vendors for the acquisition of Bonaparte tenements;

On 30 November 2017 the Company issued shares to the value of $30,000 in lieu of settlement of loan repayment;

On 15 November 2018 the Company issued shares to the value of $100,000 for the exclusivity payment for the acquisition of Cobalt Prospecting Pty Ltd;

On 30 November 2018 the Company issued shares to the value of $200,000 in lieu of facilitation fee for the acquisition of Bonaparte tenements.

2017

On 5 November 2016 the Company issued shares to the value of $49,500 in lieu of settlement of loan facility fee.

NOTE 17: TRANSACTIONS WITH RELATED PARTIES

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

2018

- Darlington Geological Services, a company of which the Technical Director, Peter Peebles was a director during the financial year, was due to be paid an aggregate amount of $19,500 for geological services rendered.
- Mathew Perrot Consultant Geologist, a company of which the Non-Executive Director, Mathew Perrot was a director during the financial year, was due to be paid an aggregate amount of $ 2,530 for geological services rendered.
- Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt was a director of during part of financial year, was paid or due to be paid $124,663 for company secretarial, compliance for acquisition of subsidiary, accounting and bookkeeping services.

2017

- Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt is a director of, was paid or due to be paid $133,554 for company secretarial, compliance for acquisition of subsidiary, accounting and bookkeeping services.
- Darlington Geological Services, a company of which the Technical Director, Peter Peebles was a director during the financial year, was due to be paid an aggregate amount of $17,325 for geological services rendered.

These transactions were made on commercial terms and conditions and at market rates.

NOTE 18: EVENTS AFTER REPORTING PERIOD

- On 27 August 2018, Mrs Hunt resigned as the Company Secretary.
- On 28 August 2018, Miss Tabakovic was appointed as the Company Secretary.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 19: SHARE BASED PAYMENTS

2018

Grant Date/entitlement	Number of Instruments	Grant and Vesting Date	Fair Value at grant date $
Shares issued on 4 and 21 August 2017 as part consideration for the Bonaparte tenements acquisition	20,000,000	04/08/2017	0.008
Shares issued on 15 November 2017 as exclusivity payment for the acquisition of Cobalt Prospecting Pty Ltd	14,285,714	13/11/2017	0.01
Listed options issued on 15 November 2017 as exclusivity payment for the acquisition of Cobalt Prospecting Pty Ltd exercisable at $0.02 on or before 28 December 2020	14,285,714	13/11/2017	0.003
Shares issued in lieu of services on 30 November 2017	11,785,714	30/11/2017	0.007
Shares issued on 30 November 2017 as part of facilitation fee for the acquisition of Bonaparte tenements as approved at AGM	40,000,000	04/08/2017	0.008
Listed options issued on 30 November 2017 as part of facilitation fee for the acquisition of Bonaparte tenements as approved at AGM**	30,000,000	04/08/2017	0.0027
Shares issued on 30 November 2017 in lieu of settlement of a loan as approved at AGM	6,000,000	29/11/2017	0.015
Shares issued on 30 November 2017 in lieu of services as approved at AGM	48,160,000	29/11/2017	0.015
Shares issued on 15 December 2017 as per employment agreement as approved at AGM	600,000	29/11/2017	0.015
Unlisted Options issued on 15 December 2017 as per employment agreement exercisable at $0.05 on or before 27 November 2020*	1,100,000	29/11/2017	0.0035
Shares issued for Cobalt Prospecting Pty Ltd acquisition on 19 March 2018	357,142,857	15/01/2018	0.02
Listed options issued on 19 March 2018 as consideration for the Cobalt Prospecting Pty Ltd acquisition as approved at GM	178,571,428	15/01/2018	0.008

NOTE 19: SHARE BASED PAYMENTS (continued)
2017

Grant Date/entitlement	Number of Instruments	Grant and Vesting Date	Fair Value at grant date $
Unlisted Options issued on 23 December 2016 as per employment agreement exercisable at $0.05 on or before 25 November 2019 *	600,000	25/11/2016	0.0182
Shares issued in lieu of services on 11 November 2016 as ratified at GM	65,500,000	28/04/2017	0.0018
Shares issued in lieu of services on 23 December 2016 as approved at GM	5,866,667	15/11/2016	0.0150
Shares issued on 23 December 2016 as per employment agreement as approved at AGM	350,000	25/11/2016	0.00172
Shares issued in lieu of services on 16 January 2017 as approved at GM	59,004,330	15/11/2016	0.01155
Shares issued convertible loan conversion and settlement of creditors on 16 January 2017 as ratified at GM	32,467,531	28/04/2017	0.01155
Shares issued in lieu of interest fee component of convertible loan conversion on 13 June 2017 as approved at GM	6,493,506	28/04/2017	0.01155

*** Fair value of options granted during the period:**

2018

The options were deemed to have fair value of $0.0042 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.015
Exercise price	$0.05
Expected volatility	78.64%
Risk-free interest rate	1.73%

**** Fair value of options granted during the period:**

2018

The options were deemed to have fair value of $0.0027 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.008
Exercise price	$0.02
Expected volatility	78.64%
Risk-free interest rate	1.73%

NOTE 19: SHARE BASED PAYMENTS (continued)

2017

The options were deemed to have fair value of $0.0071 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.01
Exercise price	$0.05
Expected volatility	122%
Risk-free interest rate	1.77%

The fair value of shares issued during the period as share based payments was determined by reference to the market value of the shares at grant date. The fair value of the options granted was determined using the Black & Scholes option valuation.

The aggregate value of share based payments for the financial year was $3,293,300 ($2017: $1,265,200). The difference between the values of the acquisitions and the fair value of the shares issued was $4,852,857 which has been booked as a reserve as share based payment.

On 19 March 2018 the Company issued 142,857,143 Performance Shares as part of the consideration for the 100% acquisition of Cobalt Prospecting Pty Ltd. Each Performance Share will automatically convert into one Victory share (with one VICOA Option being issued for every two Shares held) upon the announcement to the ASX by the Company that one 4m intersection with an average grade of 300ppm scandium (Sc) or 600ppm cobalt has been achieved from a drilling program on the Tenements within three years of their issue date. As at 30 June 2018, the Board assessed 70% likelihood of the milestone being achieved.

Under the terms for the acquisition of the Bonaparte tenements acquired during the year, the Company will issue Bonus Shares to the vendors on the achievement of the following performance milestones:

- 5,000,000 ordinary shares upon confirmation of a JORC probable reserve of 10m pounds at 10% copper or zinc or lead equivalent (Milestone 1);
- 5,000,000 ordinary shares upon confirmation of a JORC probable reserve of 20m pounds at 10% copper or zinc or lead equivalent (Milestone 2).

As at 30 June 2018, the Board assessed the milestones were unlikely be achieved, as the Company is currently focusing on its cobalt project.

NOTE 20: COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant authorities. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

	2018 $	2017 $
Not Longer than 12 months	395,000	20,000
Between 12 months and 5 years	745,233	51,123
Over 5 years	100,000	-
	1,240,233	71,123

NOTE 21: CONTINGENT LIABILITIES

On 6th March 2017, the Company acquired gold base metals project near Laverton in Western Australia through a Tenement Sale Agreement with Empire Resources Ltd, via consideration of $2,000 in cash and 2% royalty on all metals produced from within the tenement.

On 14 November 2017, the Company announced that it has entered into a binding agreement to acquire 100% of the issued capital of Cobalt Prospecting Pty Ltd ('CPPL') subject to certain conditions precedent. As part of the Consideration terms at settlement, Victory is to grant 2% net smelter return royalty with respect to all minerals produced and sold from the four project areas.

In the opinion of the directors there were no other contingent liabilities as at 30 June 2018.

NOTE 22: OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Following the acquisition of South American Tin Limited, the Group is managed on the basis of two geographical segments being Australia and Bolivia, and two business segments being mineral exploration and development and treasury.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

NOTE 22: OPERATING SEGMENTS (continued)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Head office and other administrative expenditure

Period Ended 30 June 2018	**Exploration Australia**	**Exploration South America**	**Treasury**	**Total**
	$	**$**	**$**	**$**
Segment revenue	-	-	**246,850**	**246,850**
Segment results	**(473,303)**	**-**	**-**	**(473,303)**

Amounts not included in segment results but reviewed by Board:	
Directors' remuneration	(345,400)
Consulting, marketing & promotional fees	(967,670)
Other expenses	(1,462,906)
Loss before income tax	**(3,002,429)**

NOTE 22: OPERATING SEGMENTS (continued)

Period Ended 30 June 2017	**Exploration Australia**	**Exploration South America**	**Treasury**	**Total**
	$	**$**	**$**	**$**
Segment revenue	-	-	**32,615**	**32,615**
Segment results	**-**	**(503,067)**	**-**	**(503,067)**

Amounts not included in segment results but reviewed by Board:	
Directors' remuneration	(295,891)
Consulting, marketing & promotional fees	(1,751,930)
Other expenses	(973,223)
Loss before income tax	**(3,524,111)**

(a) Segment assets and liabilities

As at 30 June 2018	**Exploration Australia**	**Exploration South America**	**Treasury**	**Total Operations**
	$	**$**	**$**	**$**
Segment assets				
- Cash and cash equivalents	-	-	818,553	818,553
- Exploration expenditure	12,218,338	-	-	12,218,338
Reconciliation of segment assets to total assets				
Trade and other receivables				26,253
Other assets				20,991
Total assets				**13,084,135**

NOTE 22: OPERATING SEGMENTS (continued)

	Exploration Australia	Exploration South America	Treasury	Total Operations
	$	$	$	$
Segment liabilities				
Reconciliation of segment liabilities to total liabilities				
Trade and other payables	-	-	(323,965)	(323,965)
Convertible Note			-	-
Total liabilities				**(323,965)**

As at 30 June 2017	Exploration Australia	Exploration South America	Treasury	Total Operations
	$	$	$	$
Segment assets				
- Cash and cash equivalents	-	-	1,702,586	1,702,586
- Exploration expenditure	46,780	-	-	46,780
Reconciliation of segment assets to total assets				
Trade and other receivables				28,782
Other assets				39,346
Total assets				**1,817,494**

NOTE 22: OPERATING SEGMENTS (continued)

	Exploration Australia $	Exploration South America $	Treasury $	Total Operations $
Segment liabilities				
Reconciliation of segment liabilities to total liabilities				
Trade and other payables	-	-	(426,830)	(426,830)
Convertible Note			-	-
Total liabilities				**(426,830)**

NOTE 23: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Company's surplus funds are invested with AA Rated financial institutions.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTE 23: FINANCIAL RISK MANAGEMENT (continued)

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have a material exposure to market risk at present.

Interest rate risk

The Company manages interest rate risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Interest rate sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact of how profit and equity values report at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

At 30 June 2018, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

CHANGE IN LOSS	**Change $ 2018**	**Change $ 2017**
Increase in interest rate by 200 basis points	16,371	34,052
Decrease in interest rate by 200 basis points	(16,371)	(34,052)

CHANGE IN EQUITY	**Change $ 2018**	**Change $ 2017**
Increase in interest rate by 200 basis points	16,371	34,052
Decrease in interest rate by 200 basis points	(16,371)	(34,052)

Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value. All financial assets and liabilities mature within 3 months. The only financial instrument which is required to be measured at fair value are its investments in listed companies. These are classified in the level 1 fair value hierarchy with values based on quoted bid prices on the ASX.

NOTE 24: INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Country of incorporation	Class of share	Equity holding 30 June 2018	Equity holding 30 June 2017
Cobalt Prospecting Pty Ltd	Australia	Ordinary	100%(2)	Nil
South American Tin Limited	Australia	Ordinary	Nil	100%(1)
Andean Tin Mining S.A.	Bolivia	Ordinary	99%(3)	Nil

(1) On 20 December 2017, the Company de-registered its wholly owned subsidiary, South American Tin Pty Ltd.

(2) On 16 March 2018, the Company completed the acquisition of 100% of the issued capital of Cobalt Prospecting Pty Ltd.

(3) During the year, the Company incorporated a wholly owned subsidiary in Bolivia for the purposes of handlings the Bolivian Government requirements and to hold the new concession approvals, as approved by Bolivian Government, COMIBOL.

NOTE 25: PARENT INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

	2018 $	2017 $
ASSETS		
Current Assets	834,381	1,770,467
Non-Current Assets	10,334,138	46,780
TOTAL ASSETS	**11,168,519**	**1,817,247**
LIABILITIES		
Current Liabilities	426,819	396,830
Non-Current Liabilities	-	-
TOTAL LIABILITIES	**426,819**	**396,830**
NET ASSETS/(DEFICIT)	**10,741,700**	**1,420,417**
EQUITY		
Issued Capital	26,680,776	21,519,644
Reserve	7,911,798	1,053,382
Accumulated losses	(23,850,874)	(21,152,609)
TOTAL EQUITY	**10,741,700**	**1,420,417**

NOTE 25: PARENT INFORMATION (continued)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2018 $	2017 $
Loss for the year	(4,504,639)	(3,074,107)
Other comprehensive income	-	-
Total comprehensive income	**(4,504,639)**	**(3,074,107)**

There were no guarantees, contingent liabilities or commitments for the acquisition of property, plant and equipment entered into by the parent entity.

CORPORATE DIRECTORY

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Victory Mines Limited
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Tel: 08 9481 0389
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Web: www.victorymines.com.au

DIRECTORS
Dr James Ellingford – Non-Executive Chairman
Mr Terence Clee – Executive Director
Mr Mathew Perrot - Non-Executive Director

COMPANY SECRETARY
Miss Aida Tabakovic

SHARE REGISTRAR
Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Tel: 1300 288 664
Fax: 08 9324 2099
Web: www.automic.com.au

AUDITORS
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St George's Terrace
Perth WA 6000

LAWYERS
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

ASX
VIC, VICOA

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
   a) comply with Accounting Standards and the Corporations Regulations 2001; and
   b) give a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the period ended on that date; and
   c) are in accordance with International Financial Reporting Standards, as stated in Note 1 to the financial statements; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a) the financial records of the Consolidated entity for the financial period have been properly maintained in accordance with section 295A of the *Corporations Act 2001*;
   b) the financial statements and notes for the financial period comply with the Accounting Standards; and
   c) the financial statements and notes for the financial period give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Terence Clee
Executive Director

Dated this 26th day of September 2018

SHAREHOLDER INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 15 September 2018.

1. Shareholding

a. **Distribution of Shareholders**

	Class of Equity Security	
Category (size of holding)	**Number of Holders**	**Fully Paid Ordinary Shares**
1 - 1,000	292	54,957
1,001 – 5,000	59	159,676
5,001 – 10,000	48	354,633
10,001 – 100,000	979	57,488,063
100,001 – and over	1,337	1,167,858,917
	2,715	1,225,916,246

b. *Listed Options*

At the date of this report, the Company had 603,752,013 listed options exercisable at $0.02 expiring on 28 December 2020.

c. The number of shareholdings held in less than marketable parcels is 255.

d. Percentage of the 20 largest holders is 30.59%

e. Total shares on issue is 1,225,916,246

f. The Company has the following substantial shareholders listed in the Company's register as at 15 September 2018.

Holder	Number	%
Strat Plan Pty Ltd <Disc – Strat Plan A/C>	85,925,746	7.01

g. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

SHAREHOLDER INFORMATION

h. **20 Largest Shareholders (Ordinary Fully Paid Shares)**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Strat Plan Pty Ltd <Disc – Strat Plan A/C>	85,925,746	7.01
2.	Beirne Trading Pty Ltd	36,737,430	3.00
3.	Mainview Holdings Pty Ltd	27,500,000	2.24
4.	Citicorp Nominees Pty Limited	26,518,724	2.16
5.	Celtic Capital Pty Ltd <The Celtic Capital A/C>	21,857,150	1.78
6.	Mr Ziyan Wang	20,000,000	1.63
7.	Monslit Pty Ltd <Antonio Torresan Super A/C>	17,500,000	1.43
8.	HVVK Investments Pty Ltd	17,120,000	1.40
9.	CCI Super Fund Pty Ltd <Moultrie Staff S/F A/C>	11,827,458	0.96
10.	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	11,770,121	0.96
11.	Lowrie Hearn Pty Ltd <Lowrie Family A/C>	10,000,000	0.82
12.	Perrot Gordon Pty Ltd <Perrot Family A/C>	9,800,000	0.80
13.	Harley N Pty Limited <Harley Super Fund Account>	9,795,000	0.80
14.	Mr Noel Emile Eugene Henri Blondel & Mrs Kim Maria Blondel	8,520,000	0.70
15.	Mr Bruce Jazie Ozimek	7,231,613	0.59
16.	Mr William Basford	7,058,610	0.58
17.	Mr Poh Seng Tan	7,000,000	0.57
17.	Mr Darren Peter Limon	7,000,000	0.57
17.	Ms Mei Chen	7,000,000	0.57
18.	WDN Company Pty Ltd <WDN Account>	6,659,984	0.54
19.	Mr Oktay Tasdemir	6,166,000	0.50
20.	Mr Van Tieu Phui On & Mrs My On	6,000,000	0.49
20.	Mr Joe Leuzzi & Mrs Sally Leuzzi	6,000,000	0.49
		374,987,836	**30.59**

SHAREHOLDER INFORMATION

i. **20 Largest holders of $0.02 quoted equity securities (options expiring on 20 December 2020)**

Name		Number of Listed Options Held	% Held of Listed Options
1.	Strat Plan Pty Ltd <Disc – Strat Plan A/C>	47,211,445	7.82
2.	Mrs Payal Gupta	19,407,918	3.21
3.	Inspark Pty Limited <Inspark Pty Limited S/F A/C>	16,000,000	2.65
4.	Talex Investments Pty Ltd	12,500,000	2.07
5.	Mr Daniel John Baker	12,282,950	2.03
6.	37th P & C Nominees Pty Ltd <Masterman Super Fund A/C>	11,463,102	1.90
7.	Celtic Capital Pty Ltd <The Celtic Capital A/C>	10,928,575	1.81
8.	Mr Paul Aivaliotis	10,000,000	1.66
8.	Mrs Carolyn Dow	10,000,000	1.66
8.	Mr Graham Raymond Dow	10,000,000	1.66
8.	Cherrison Super Pty Ltd <RCYL Super Fund A/C>	10,000,000	1.66
8.	Mr Charles Malcolm Baird	10,000,000	1.66
9.	Mrs Sneh Villanova	9,010,000	1.49
10.	Pershing Australia Nominees Pty Ltd <Phillip Capital A/C>	9,000,000	1.49
11.	Macromise Asset Holdings Pty Ltd <RBC Family A/C>	8,000,000	1.33
11.	Mr Darren Peter Limon	8,000,000	1.33
12.	Mainview Holdings Pty Ltd	7,083,332	1.17
13.	Y P Stevens Pty Ltd <T&S Superannuation Fund A/C>	6,430,000	1.07
14.	Mr Leonard Bebri	6,150,000	1.02
15.	Mr Glenn Robins	6,000,000	0.99
15.	Mr Scott Alan Malone	6,000,000	0.99
16.	Mr Daniel Aaron Hylton Tuckett	5,872,040	0.97
17.	Horatio Street Pty Ltd <Horatio Street Family A/C>	5,610,390	0.93
18.	Rotherwood Enterprises Pty Ltd	5,230,744	0.87
19.	Mr Peter Alexander Friedrich	5,025,542	0.83
20.	Mr David Michael Gartner	5,000,000	0.83
20.	Mr George Vincent Anthony Taranto	5,000,000	0.83
		277,206,038	**45.91**

2. Unquoted Securities

The Company has issued the following unquoted securities:

Number on issue	Class	Number of holders	Holders of >20% of class
46,668	options exercisable at $0.45 on or before 30 November 2018	3	71.43% - James Ellingford
600,000	options exercisable at $0.05 on or before 25 November 2019	2	83.33% - James Ellingford
1,100,000	options exercisable at $0.05 on or before 27 November 2020	3	45.45% - Terence Clee 45.45% - James Ellingford
142,857,143	performance shares	17	24.48% - Strat Plan Pty Ltd <Disc-Stat Plan A/C>

AS AT 12 JUNE 2018

Project Name	Location	Tenement Licence	Interest held by Group
Laverton	WA	E38/3075	100%
Bonaparte	WA	E80/4901	100%
Bonaparte	WA	E80/4964	100%
Malamute	NSW	EL8667	100%
Husky	NSW	EL8666	100%
Galah Well	WA	ELA29/1023	100% (application only)
Peperill Hill	WA	ELA29/1024	100% (application only)