

ASX ANNOUNCEMENT

Date: 16 March 2016



Milestone Sport Presentation

The Board of Victory Mines Limited (ASX: VIC) (**Victory** or **the Company**) provides the attached “Milestone Sport Presentation” being delivered as part of the Milestone Sport roadshow across Australia this week.

Enquiries

Elizabeth Hunt
Company Secretary



Investor Presentation

May 2016

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INTRODUCTION AND OVERVIEW



Company overview



Milestone Sports Limited is a **leading sports technology company** that has developed and launched a platform that leverages the explosive interest in wearable technology to increase consumer loyalty and purchases for retailers and brands.

This **revolutionary Wearable Marketing Platform** delivers on the vision of the Internet of Things by creating a closed loop system of low cost but high value devices, big data platforms, tools for retailers and highly valuable data analytics. The result is personalised and real-time communication between consumers and their retailers, coaches, brands, doctors and others.

The company's wearable device, The **MilestonePod**, gives runners access to gait and form metrics that has only been available to elite athletes in state-of-the-art running labs. Now, anyone can automatically track their metrics anytime/anywhere with this portable running lab. The data includes: foot strike, cadence, rate of impact, stride length, distance, pace and more.

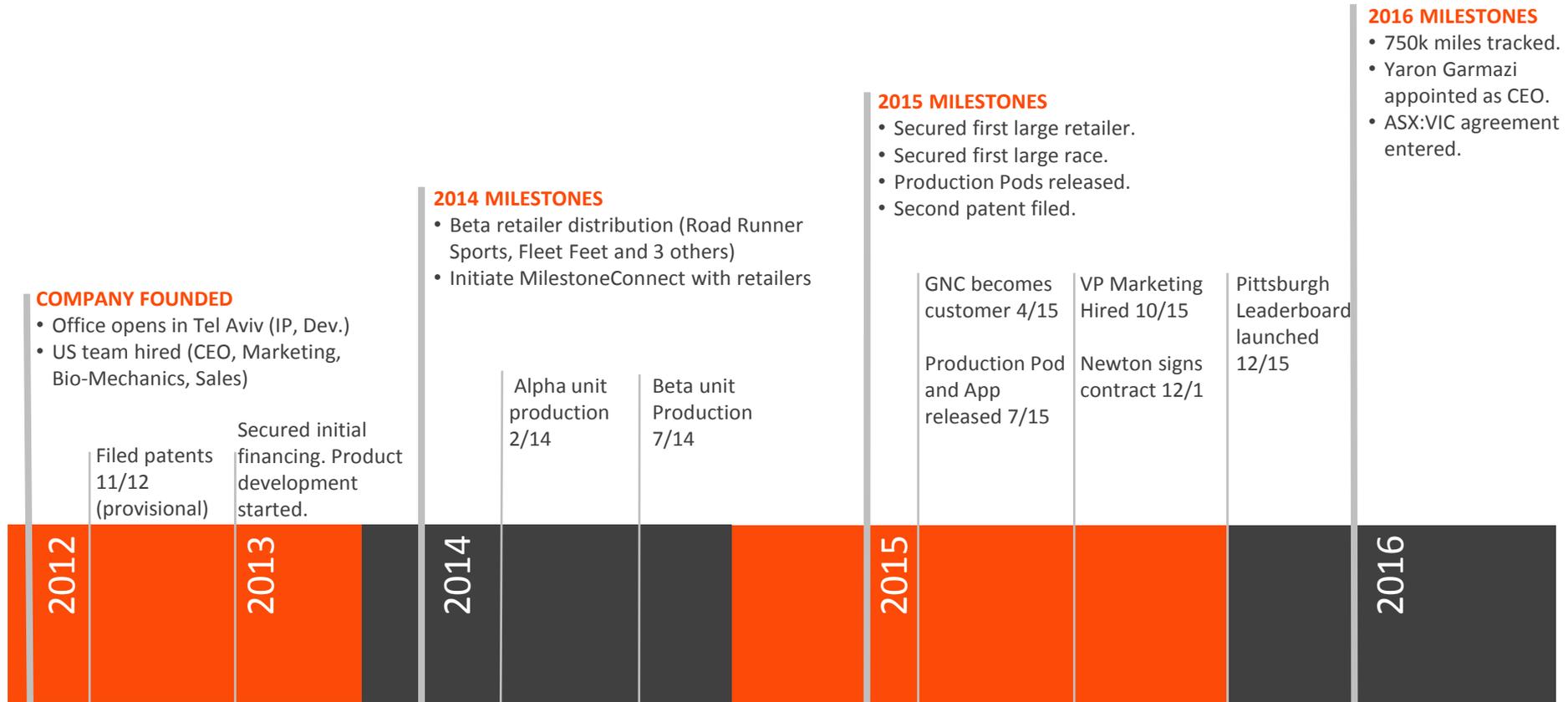


Connecting consumers to retailers and brands they want to hear from

Milestone's marketing platform connects consumers with retailers, brands, advertisers and manufacturers to enable them to deliver personalised, one-to-one marketing, coaching and other guidance creating brand loyalty and increasing consumer engagement.



Company timeline



Investment highlights

Significant market opportunity



Wearable technology market expected to be worth US\$25 billion by 2020.

Superior and affordable technology



Validated with over 7,000 MilestonePod users, almost 1 million miles tracked and key partnerships with distribution partners in place.

Unmatched offering



Only wearable providing retailers and brands with the ability to connect with and leverage the data from consumers.

Attractive revenue model



Highly scalable, with high margin recurring revenue stream from subscriptions.

Expert leadership team



Expertise in biomechanics, software/firmware, finance, database development, low-cost consumer electronics and sports marketing.

Strong activity pipeline



New product launch expected in July and expansion into new markets including the health sector.



Expert leadership team

Includes experts in biomechanics, software/firmware, finance, database development, low-cost consumer electronics and sports marketing



Yaron Garmazi
CEO

Jason Kaplan
President

Meir Machlin
CTO

Tzach Goren
Bus. Development

Nancy Rowe
VP Marketing

Stephen Suydam
PhD, Dir. of Research

Leadership
Finance
Tech Executive
IPO's

Business
Development
Sales & Marketing
Start-ups

Sensor Knowledge
Tech Development
Systems

Business
Development
Retail
Running Specialty

Product Marketing
Communications
Production & Events

Biomechanics
Algorithm
Development

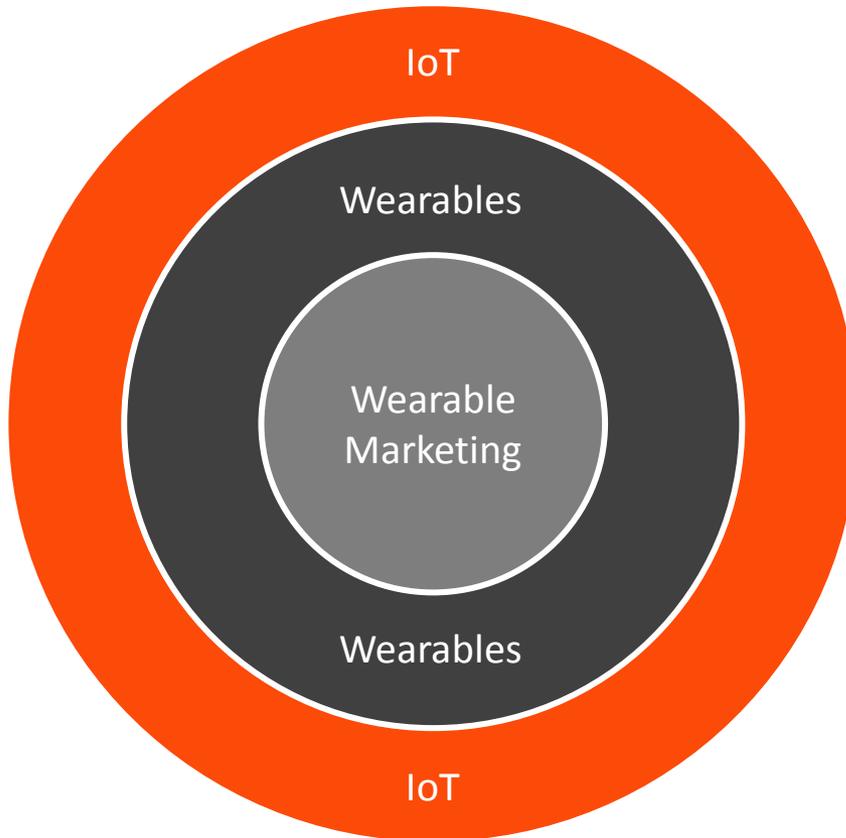


MARKET AND OPPORTUNITY



Introducing **wearable marketing**

At the exciting intersection of Internet of Things, Wearables and Big Data



IoT (Internet of Things)

34 billion devices connected by 2020
US\$1.7 trillion market by 2020



Wearables

322 million units shipped by 2017
US\$25 billion market by 2020



Big Data

Big money flows quickly toward new consumer data streams that enhance marketing



Market opportunity: US\$5.0B market



PRODUCT OFFERING AND BUSINESS MODEL



Scalable **revenue model** with multiple streams



Our products and **business model**

Offering retailers and brands white label or Milestone branded
Wearable Marketing Platform

1 | Wearable



MilestonePod

Enabling device for Platform

Cost: ~US \$5

Price: US \$9-12

MSRP: US \$24.95

2 | App



MilestonePod App

Free consumer interface.

Soon offering APIs for
integration with other Apps
and devices.

3 | Data



Milestone Database Marketing Exchange

4 | Platform Tools

MilestoneConnect

Marketing tools for
delivering tailored ads,
offers and coaching.
Monthly subscription of US
\$0.30-\$0.50 per
user/month.

MilestoneInsights

Big data analytics providing
actionable marketing,
product development and
competitive insights.
Monthly subscription.



The MilestonePod & MilestonePod App

Retail Price \$24.95

GO BEYOND PACE!



- ✓ Capture the basics such as distance, pace, steps, calories and time
- ✓ View performance and health metrics such as foot strike, rate of impact and cadence
- ✓ Get personalised coaching, rewards and offers based on your actual needs and activity
- ✓ Can't forget it at home...the Pod is always on, always ready
- ✓ No GPS or re-charging needed
- ✓ Track shoe life with an automatic odometer



Improve performance.

Stay healthy.

Choose the right shoe.

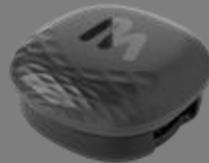


Significant benefits for **users and suppliers**

Milestone Sports offers the first product that bridges direct marketing and wearables

Benefits to Marketer:

- Connect with customers as they use product
- A competitive edge through “real world” data
- Create messages quickly and easily
- Deliver one-to-one offers
- High ROI at low risk
- Control over messaging
- Automated and scalable
- Increase traffic and redemption
- Create co-branding options with brands
- Increase customer retention



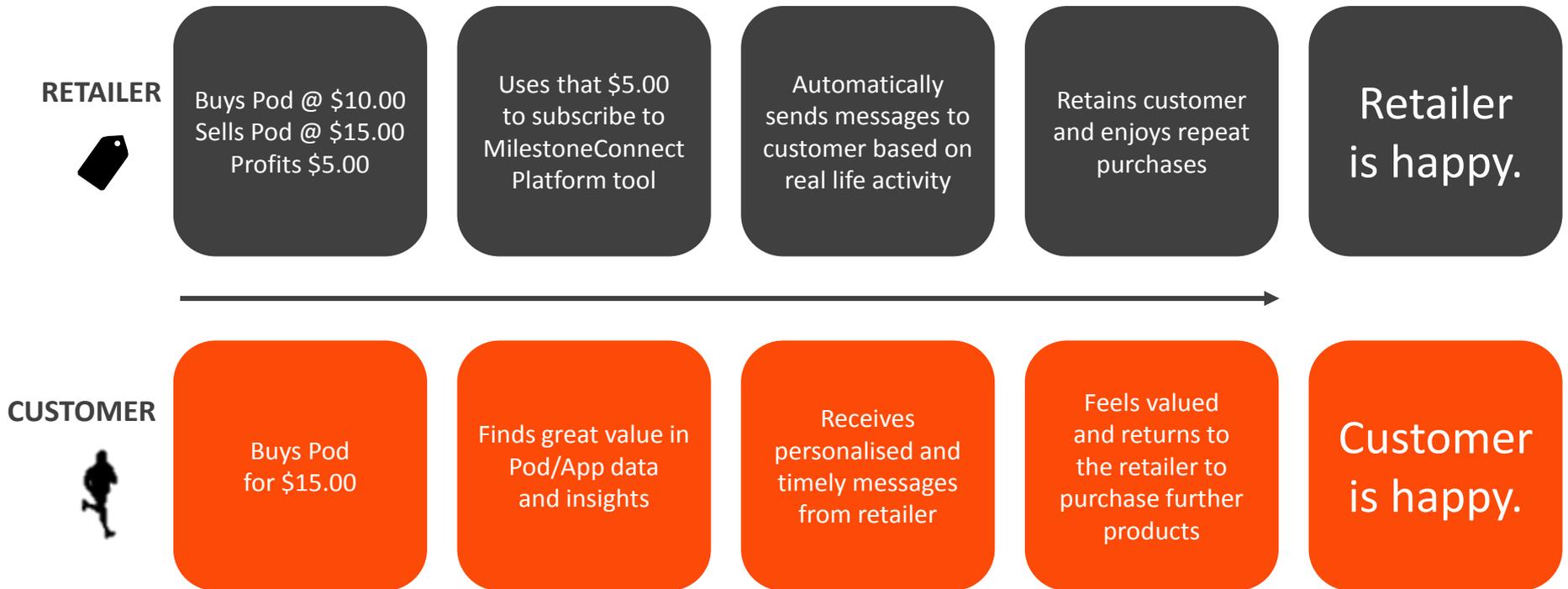
Benefit to User:

- Provide unique data to achieve goals
- Lightweight, barely there
- Inexpensive yet valuable
- Accurate and durable
- Include expert insights
- Connects with a community
- Works all the time, everywhere
- Provide guidance on gear/shoes
- Trade some data for useful messaging

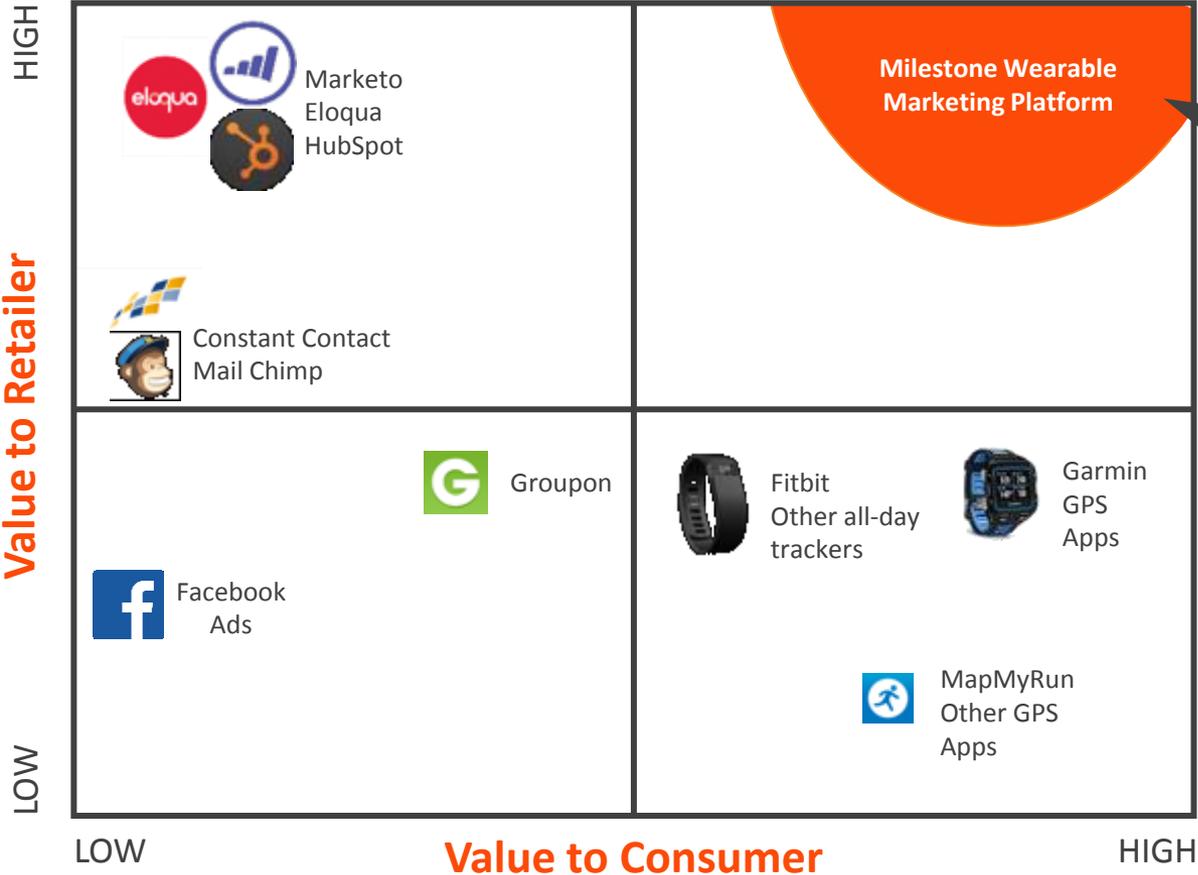


How it works

Wearables have the potential to give brands the ability to meet the needs of the customer beyond the point of sale. By connecting consumers with retailers through a scalable, powerful marketing tool (Wearable Marketing Platform) Milestone has made this possible



Market landscape



Milestone has a unique position in the market. Unlike other offerings, it is creating significant value for BOTH the retailer and consumer.

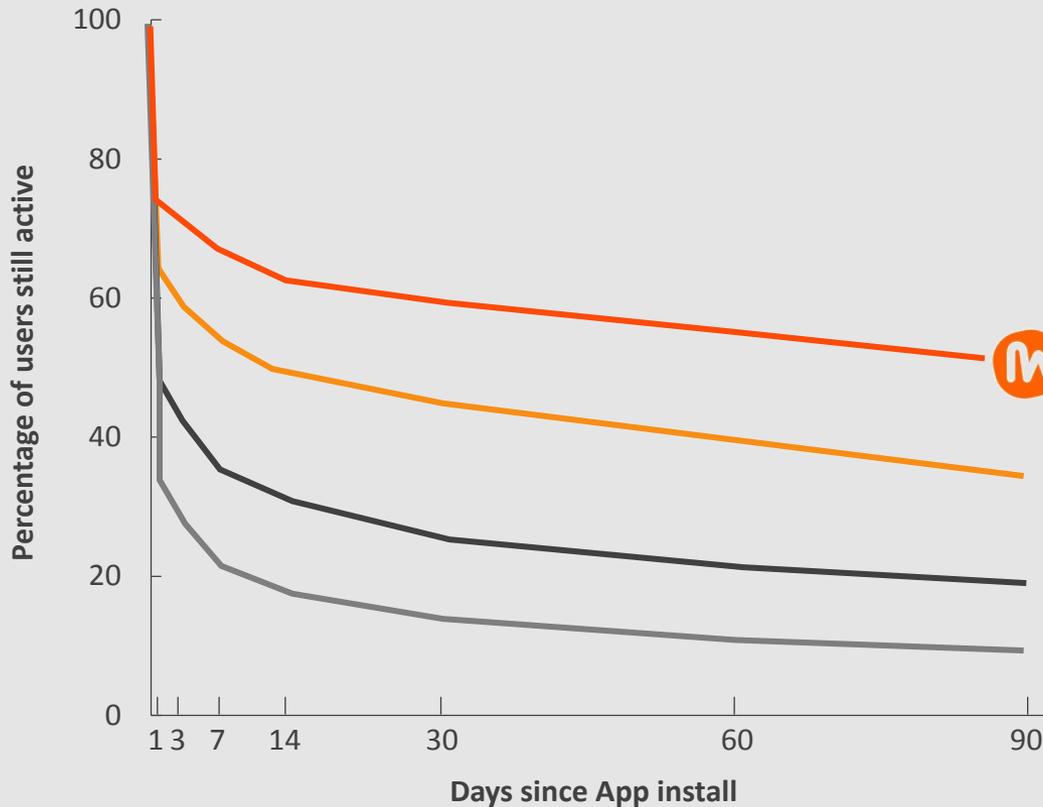


Solid growth to date and **key distribution partnerships in place**



Above average retention rates

Retention curves for Android Apps



90-day retention is well above industry average, and grows every month!

January 2015	31.0%
April 2015	41.0%
October 2015	47.0%
January 2016	48.2%
February 2016	48.5%
March 2016	51.0%
April 2016	51.7%



GROWTH STRATEGY AND NEXT STEPS



On the horizon: huge growth in sports

We plan rapid scaling and revenue growth by closing foundational deals in the athletic industry. We are having significant, on-going, high-level conversations with the following brands



Growth strategy: **distribution by 2017**



Growth strategy: expansion and sales

Q2 2016

Q3 2016

Q1 2017

Q2 2017

Athletic Industry: Scale Running

Leaderboards for races
Run Specialty retail
Large retail
(Core run customers)

Core Run Customers
Expand large retail footprint
International distribution
Initiate shoe brand partnerships

Core Run Customers
Major Marathons and races
Data analytics Sales

Shoe Brand expansions
Expand core customer offerings and revenue stream



New Market Expansion: Health Industry

Beta customers secured

Target distribution partners
Hire Account team

First paying Milestone Health customer
Sign distribution partner and begin marketing

Other Industries & Applications

Beta test new Sports Pods with large retailers

Begin selling new Sport Pod and platform



Growth strategy: product pipeline

Q2 2016

Q3 2016

Q1 2017

Q2 2017

Athletic Industry: Scale Running

New Pod launches
Refreshed App
New FW
Real time shoe fit

MilestoneConnect 2.0
Develop real-time
Launch coaching elements

MilestoneInsights 1.0

Launch new sport(s)



New Market Expansion: Health Industry

Beta customers secured
Business models validated

Pod hardware designed
App and FW completed
Back end systems developed

Beta testing begins

Other Industries & Applications



Peer comparison: devices and marketing platforms

	MARKET CAP	P/E	NET INCOME	P/S	REVENUE 2015
HARDWARE					
Fitbit	\$2,840,000,000	18.4	\$114,000,000	1.57	\$1,860,000,000
Garmin	\$7,700,000,000	17	\$456,000,000	2.72	\$2,820,000,000
GoPro	\$1,360,000,000	39.1	\$36,130,000	0.83	\$1,620,000,000
Fossil	\$19,300,000,000	8.88	\$220,000,000	0.59	\$3,230,000,000
Average	\$7,800,000,000	21	\$206,532,500	1.43	\$2,380,000,000
SUBSCRIPTION MARKETING SERVICES					
Salesforce	\$51,450,000,000	58.42	-\$47,000,000	7.49	\$6,670,000,000
Marketo	\$953,000,000	NA	-\$71,000,000	4.44	\$210,000,000
Hubspot	\$1,510,000,000	NA	-\$46,000,000	8.42	\$182,000,000
Average	\$17,971,000,000		-\$54,666,667	6.78	\$2,350,000,000
Milestone projected 2018 sales	\$30,000,000.00				Milestone projected Market Cap*
Discounts 50%	\$15,000,000.00			3.72	\$55,842,857



* Imputed value using 50% of blended P/S ratio of hardware and SaaS business and 50% of 2018 revenue projections

TRANSACTION, USE OF FUNDS AND SUMMARY



The proposed acquisition

Victory Mines Limited (ASX:VIC) is raising **\$3.5 million** at a minimum of \$0.02 per share

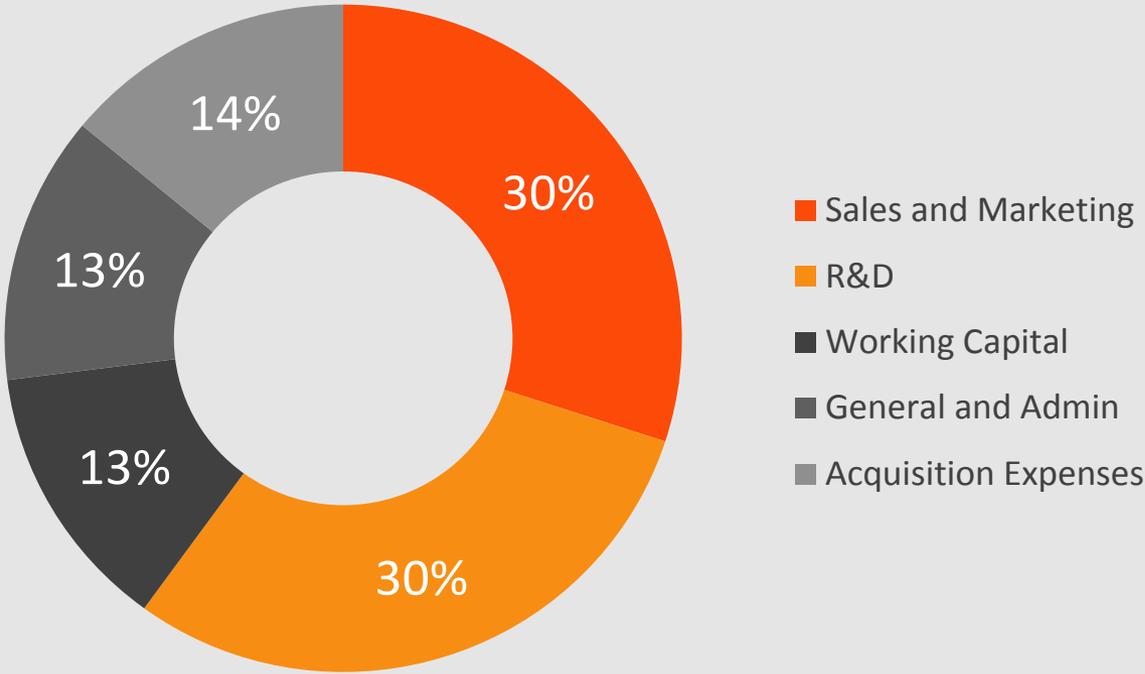
SHARES	
Shares currently on issue	556,577,580
Consideration shares	332,681,018
Sub-Total	889,258,598

PERFORMANCE SHARES	
Class A Performance Shares	110,893,672
Class B Performance Shares	110,893,672
Class C Performance Shares	110,893,672
Total	332,681,016

Note: This assumes that no options in Victory are executed and that none of the Performance Shares milestones are satisfied.



Use of funds



Indicative timetable

Meeting to approve the Acquisition	8 June 2016
Opening Date of the Offer	8 June 2016
Closing Date of the Offer	8 July 2016
Settlement of the Acquisition	22 July 2016
Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules	5 August 2016
Re-quotation of Shares (including Shares issued under the Capital Raising) on the ASX	5 August 2016



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Thank you

APPENDIX



Milestone Sports IP

Milestone Sports has submitted two patents to the USPTO

The first patent was focused on our core business of collecting data from a device on shoes, gathering certain data in a database in the cloud and using a platform to automate offers, advice and other communication. This is patent INTERACTIVECOMMUNICATION RELATED TO USAGE DATA PROGRESSION DATA (Pub.No.:US2014/0136324A1) which was originally filed as a provisional in November 2012.

The second patent is Devices and Methods for determining Step Characteristics. This patent was filed in December 2015 and is focused on the health elements of the MilestonePod and our platform; including fall prediction.

**Both are
Patents
Pending**



Our direct marketing **playing field**

RETAILER'S MARKETING WISH LIST	ENTERPRISE MARKETING TOOLS	SOCIAL TARGETING	WEARABLE MARKETING BY MILESTONE
Connect with customers as they use product			
A competitive edge through exclusive access to "real world" data			
Create messages quickly and easily	Sometimes	Sometimes	
Deliver one-to-one offers			
High ROI at low risk (Pod profit pays for marketing platform)			
Control over messaging			
Automated and scalable			
Increase traffic and redemption	Sometimes		
Create co-branding options with brands	Sometimes	Sometimes	

"I have sold the Pod and used the platform since June 2015. It has changed the relationship I have with customers. Now I can provide services to them after they leave my store. It's like I can be on the shoulder of every customer on every run!"

– Sandy Musson, MilestoneConnect user, coach and owner, **Ride and Tri Canada**



Our wearables **playing field**

USER'S WEARABLE WISH LIST	ALL DAY TRACKERS & APPS	GPS DEVICES	WEARABLE MARKETING BY MILESTONE
Provide unique data to achieve goals	Sometimes	Data but not unique	
Lightweight, barely there	Sometimes		
Inexpensive yet valuable			
Accurate and durable			
Includes expert insights			
Connects with a community	Sometimes	Sometimes	
Works all the time, everywhere			
Provides guidance on gear/shoes			
Trade some data for useful messaging			

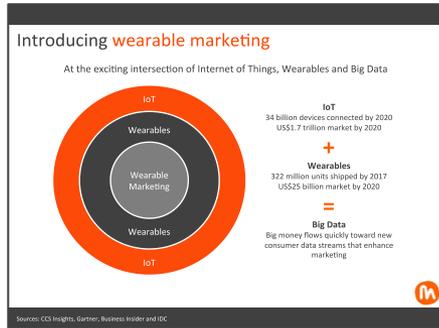
“I was pleasantly surprised with the MilestonePod. In a world of complicated and expensive running gadgets, this is a refreshingly simple, affordable, and effective product. If you are someone who wants running metrics but doesn’t want to drop hundreds on a GPS watch, this is a great product to try out.”

– Nadine Frost, Editor, **Runner Web Weekly**



References

Slide 9



Internet of Things:

Business Insider

<http://www.businessinsider.com/how-the-internet-of-things-market-will-grow-2014-10>

IDC via *Wall Street Journal*

<http://blogs.wsj.com/cio/2015/06/02/internet-of-things-market-to-reach-1-7-trillion-by-2020-idc/>

Wearables:

CCS Insights

<http://www.ccsinsight.com/press/company-news/2332-wearables-market-to-be-worth-25-billion-by-2019-reveals-ccs-insight>

Gartner

<http://www.gartner.com/newsroom/id/3198018>

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U.S. Running

Wall Street Journal

<http://www.wsj.com/articles/how-millennials-ended-the-running-boom-1462473195>

U.S Running

Running USA

<http://www.runningusa.org/2014-running-industry-report?returnTo=annual-reports>

Global Athletics and Running

Estimated at 2X US market in total based on sales of global shoe brands

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Peer comparison: devices and marketing platforms

	MARKET CAP	P/E	NET INCOME	P/S	REVENUE 2015
HARDWARE					
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Garmin	\$1,700,000,000	37	\$46,000,000	3.25	\$2,880,000,000
GoPro	\$1,360,000,000	39.1	\$36,130,000	0.83	\$1,620,000,000
Fossil	\$18,300,000,000	8.88	\$200,000,000	0.59	\$3,280,000,000
Average	\$7,800,000,000	31	\$106,132,500	1.43	\$2,390,000,000
SUBSCRIPTION/MARKETING SERVICES					
Swireire	\$1,410,000,000	98.42	\$42,000,000	7.49	\$6,670,000,000
Marketo	\$919,000,000	NA	\$71,000,000	4.44	\$210,000,000
Hubspot	\$1,510,000,000	NA	\$46,000,000	8.42	\$182,000,000
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Hardware

Yahoo Finance

Subscription Marketing Services

Yahoo Finance

