VICTORY METALS

Quarterly Activities Report – 30 June 2024

Highlights:

- **North Stanmore demonstrated outstanding recoveries of 93% for critical magnet metals Praseodymium (Pr,) Neodymium (Nd), Terbium (Tb) and Dysprosium (Dy)**
- **Leach test work was conducted with a composite of material from Victory's successful recent beneficiation test work program sourced from 13 drill holes from across the North Stanmore deposit[1]**
- **The outstanding results were achieved with a Magnesium Sulphate $MgSO_4$ ("MAGSUL") wash with a low leach time of 4 hours**
- **Metallurgical results also confirmed high recoveries of Scandium (50% recovery of contained Sc_2O_3)**
- **Recovery of deleterious radioactive elements Uranium (U) 2.4ppm and Thorium (Th) 5ppm are less than average abundances in the upper continental crust (U) 3ppm (Th) 10ppm[2]**
- **$2.5M placement completed and $773K R&D tax offset received**
- **The Company remains well funded with $2.9M in cash at 30 June 2024**

Victory Metals (ASX:VTM) ("Victory" or "the Company") is pleased to report on its activities and the Appendix 5B for the quarter ending 30 June 2024 ("Quarter", "Reporting Period").

EXPLORATION
North Stanmore Rare Earth Element Project

Victory provided further results from recent leach test work on beneficiated samples from the Company's 100% owned North Stanmore Heavy Rare Earth Element ("REE") Project ("North Stanmore" or the "Project"). The results highlighted increased recoveries for an ionic regolith clay rare earth project of 93% for critical magnet metals Praseodymium (Pr), Neodymium (Nd), Dysprosium (Dy), and Terbium (Tb).

Core Resources Brisbane ("**Core**") commenced the stage 3 metallurgical test work program, which focussed on demonstrating beneficiation.

[1] Refer to ASX announcement dated 19th March 2024 and titled "REE GRADES SIGNIFICANTLY INCREASE FROM LOW COST METHOD"
[2] https://www.iaea.org/newscenter/news/thoriums-long-term-potential-in-nuclear-energy-new-iaea-analysis

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The work was completed in March 2024 and reported an increase to the Rare Earth Element ("REE") feed grade of 63% by rejecting the +53*µm feed material*[3] from across all samples.

Core were subsequently commissioned to conduct further leach test work on the beneficiated material.

Leach Test work Program

This involved Core conducting diagnostic metallurgical testing on a composite blend of the beneficiated samples which had a head grade of 1283 ppm Total Rare Earth Oxide (TREO). This was sourced from 23 samples and 13 drill holes from North Stanmore.

The initial atmospheric leach test work program was trialled at elevated temperatures and variable leaching conditions compared to previous work. These test conditions yielded outstanding high recoveries of Pr (94%), Nd (94%) and valuable and critical heavy rare earth elements Tb (91%), and Dy (92%) with a combined recovery of 93% Magnet Rare Earth Elements ("MREE"). Additionally, Scandium ("Sc") recoveries of (50%) were achieved. These assays were conducted by Australian Laboratory Services (ALS) Brisbane. Results are given in Table 1 and are shown diagrammatically in Figure 1.

The objective of the successful diagnostic test work was to recover REE and Sc from the beneficiated sample using alternative conditions to previous metallurgical programs, that successfully demonstrated increased extractions at higher temperature (from 25°C to 100°C).

Subsequent additional test work will be undertaken by Core to determine the optimal leach conditions.

	Head Grade Assays (ppm)	Calculated Leachate (ppm)	Recovery (%)
La_2O_3	271	247	91
CeO_2	125	108	87
Pr_6O_{11}	59	56	94
Nd_2O_3	223	201	94
Sm_2O_3	49	46	94
Eu_2O_3	13	12	94
Gd_2O_3	56	53	95
Tb_4O_7	9	8	91
Dy_2O_3	56	51	92
Ho_2O_3	11	10	90
Er_2O_3	33	29	88
Tm_2O_3	5	4	89
Yb_2O_3	29	25	87
Lu_2O_3	5	4	88
Y_2O_3	345	304	88
Sc_2O_3	49	25	50
TREYO	1289	1168	91
HREYO	562	489	90
HREO/TREO	44%	42%	
NdPrDyTb	347	325	93
Th ppm	6	5	82
U ppm	3	2	76

Table 1: *Beneficiated Head Grade Rare Earth Assays and Calculated Metallurgical Recoveries*

[3] Refer to ASX announcement dated 19th March 2024 and titled "REE GRADES SIGNIFICANTLY INCREASE FROM LOW COST METHOD"

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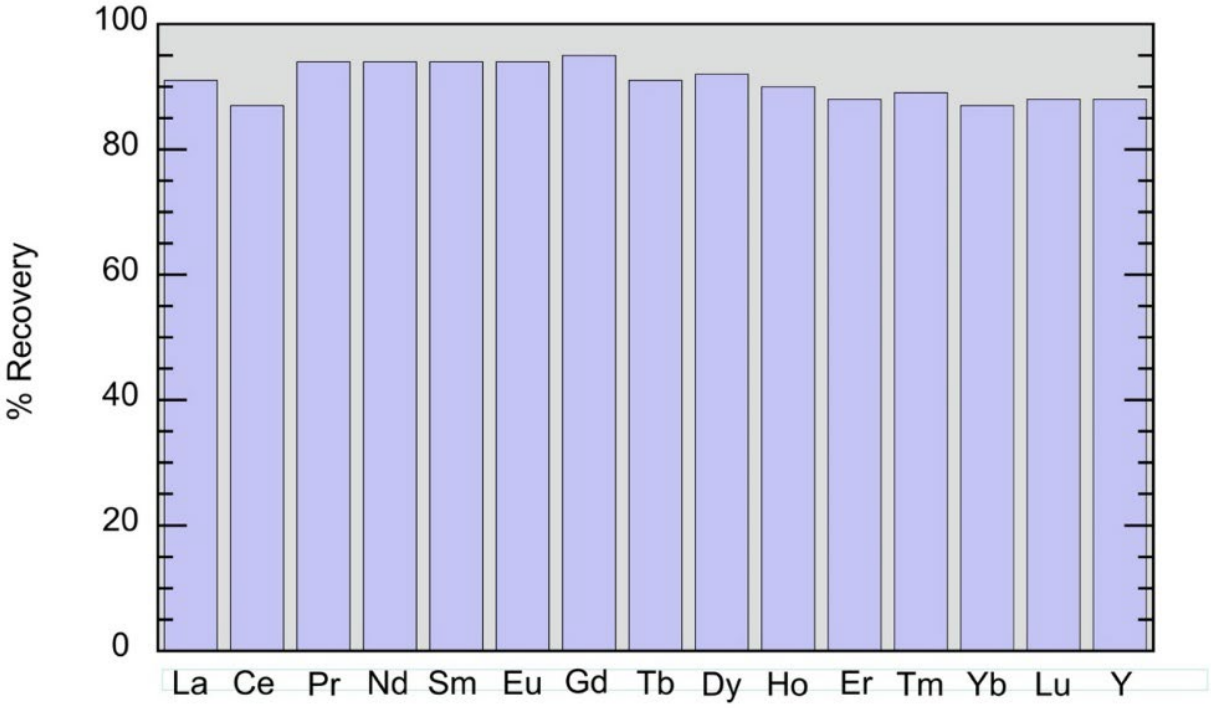

Figure 1. *Figure showing recoveries of both light (La-Sm) and heavy (Eu-Lu) REEs plus Y calculated from head grade and residue assays*

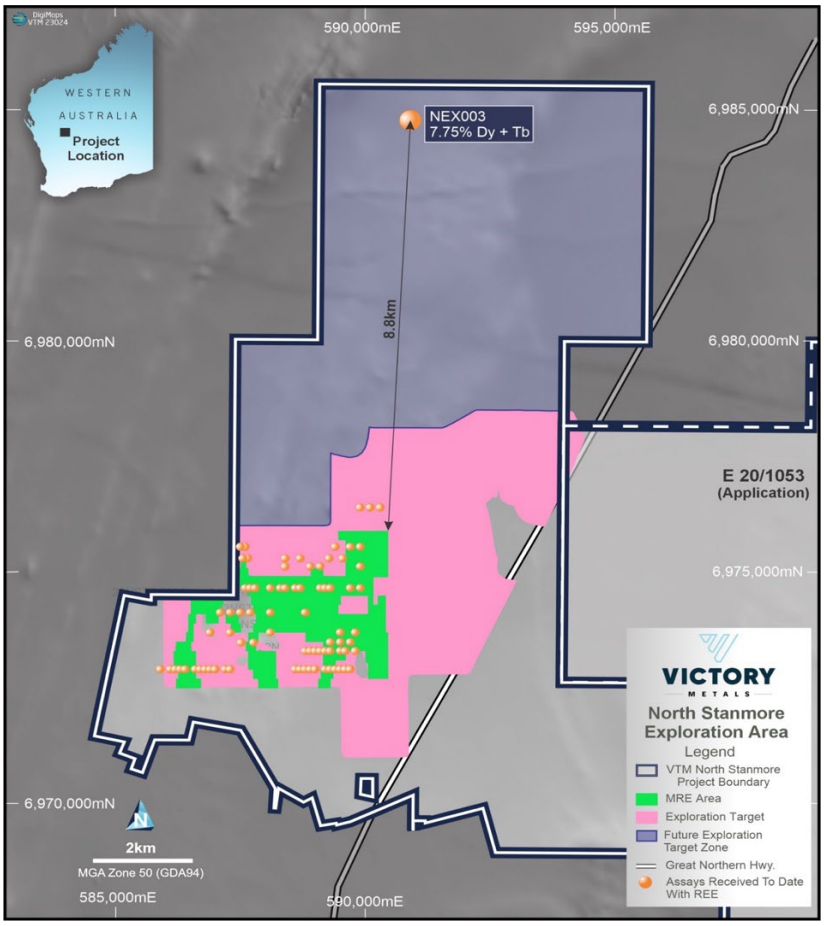

Figure 2: *Map showing North Stanmore and the drill hole locations for the assays received to date (400ppm cut-off) and the Heavy Rare Earth mineralisation confirmed 8.8km from the MRE area.*

CORPORATE

$2.5M Placement

Victory completed a Placement raising $2,500,000 ("Placement") through the issue of 11,363,636 fully paid ordinary shares at $0.22 per share ("Placement Shares") with professional and sophisticated investors. The Placement shares were issued under the Company's existing Placement capacity in accordance with ASX listing Rule 7.1 and 7.1A as followed: LR7.1 – 3,223,671 Placement Shares, LR7.1A – 8,139,965 Placement Shares.

R&D Tax Offset Funds Received

Victory received a A$773,335 refundable tax offset for eligible research and development ("R&D") activities for the 2023 financial year undertaken at the Company's 100% owned North Stanmore Heavy Rare Earth Element Project.

Cashflows for the Quarter

Attached to this report is the Appendix 5B containing the Company's cash flow statement for the quarter. Exploration expenditure of $796k mainly related to exploration activities undertaken at North Stanmore REE Project net of GST refunds received on current and previous exploration expenditure. $349k expenditure on administration net of GST refunds received on current and previous administration expenditure and corporate costs of which $104k were payments made to related parties. These payments relate to the remuneration agreements for Executive and Non-Executive Directors and to SmallCap Corporate Pty Ltd ("SmallCap") for providing company secretary, accounting and office services to the Company. Non-Executive Director James Bahen is a shareholder and director of SmallCap.

The Company also had cash inflows of $773K from a refundable tax offset for eligible research and development ("R&D") activities for the 2023 financial year and $2.5M from proceeds from the issue of equity securities.

As at 30 June 2024, the Company had available cash of approximately $2.9M.

June 2024 Quarter – ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

7/06/2024	R&D Tax Offset Funds Received
20/05/2024	Oversubscribed $2.5M Placement
14/05/2024	North Stanmore Sets Benchmark of 93% Met Recoveries

These announcements are available for viewing on the Company's website www.victorymetalsaustralia.com. Victory confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

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This announcement has been authorised by the Board of Victory Metals Limited.
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Victory Metals Limited: Company Profile

Victory is focused upon the exploration and development of its Heavy Rare Earth Element (REE) and Scandium Discovery in the Cue Region of Western Australia. Victory's key assets include a portfolio of assets located in the Midwest region of Western Australia, approximately 665 km from Perth. Victory's Ionic clay REE discovery is rapidly evolving with the system demonstrating high ratios of Heavy Rare Earth Oxides and Critical Magnet Metals NdPr + DyTb.

Competent Person Statements

Professor Ken Collerson
Statements contained in this report relating to exploration results, scientific evaluation, and potential, are based on information compiled and evaluated by Professor Ken Collerson. Professor Collerson (PhD) Principal of KDC Consulting, and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), is a geochemist/geologist with sufficient relevant experience in relation to rare earth element and critical metal mineralisation being reported on, to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Professor Collerson consents to the use of this information in this report in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements in relation to the exploration results. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.

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Figure 3. Regional Map showing Victory Metals tenement package and pending tenements.

Appendix 1 – Interest in Mining Tenements

Tenement ID	*Status*	*Location*	*Interest at the beginning of the quarter*	*Interest acquired or disposed*	*Interest at the end of the quarter*
E20/1016	*Live*	*Cue*	*100%*	*-*	*100%*
E20/1053	*Application*	*Cue*	*100%-*	*-*	*100%*
E20/871	*Live*	*Mafeking Bore*	*100%*	*-*	*100%*
E20/971	*Live*	*Cue North*	*100%*	*-*	*100%*
E51/1939	*Live*	*Cue North*	*100%*	*-*	*100%*
E51/2102	*Live*	*Cue North*	*100%*	*-*	*100%*
E51/2104	*Live*	*Cue North*	*100%*	*-*	*100%*
G20/25	*Live*	*Victory Buttercup Mine Site*	*100%*	*-*	*100%*
L20/72	*Application*	*Emily bore/Mafeking bore*	*100% beneficial*	*-*	*100% beneficial*
M20/128	*Live*	*Cuddingwarra*	*100%*	*-*	*100%*
M20/129	*Live*	*Cuddingwarra*	*100%*	*-*	*100%*
M20/263	*Live*	*Eaglehawk*	*100%*	*(100%)*	*0%*
M20/288	*Live*	*Cue*	*100%*	*-*	*100%*
M20/305	*Live*	*Cue*	*100%*	*-*	*100%*
M20/327	*Live*	*Curtis Find*	*100%*	*-*	*100%*
M20/33	*Live*	*Tuckanarra*	*100%*	*(100%)*	*0%*
M20/360	*Live*	*Emily Well*	*100%*	*-*	*100%*
M20/455	*Live*	*Karbar*	*100%*	*-*	*100%*
M20/480	*Live*	*Nindan Hill*	*100%*	*-*	*100%*
M20/494	*Live*	*Cue*	*100%*	*-*	*100%*
M20/543	*Live*	*Emily Wells*	*100%*	*-*	*100%*
M20/544	*Live*	*Mafeking Bore*	*100%*	*-*	*100%*
M20/546	*Application*	*Mafeking Bore*	*100%-conversion interest (P20/2007)*	*-*	*100%*
M20/550	*Application*	*Mafeking Area*	*100%-conversion interest- (P20/2153)*	*-*	*100%*
M21/125	*Live*	*Cue*	*100%*	*-*	*100%*
M21/143	*Live*	*Day Dawn*	*100%*	*-*	*100%*
M21/158	*Live*	*Webbs Patch*	*100%*	*-*	*100%*
M21/26	*Live*	*Day Dawn*	*100%*	*-*	*100%*
M21/86	*Live*	*Day Dawn*	*100%*	*-*	*100%*
M21/94	*Live*	*Day Dawn*	*100%*	*-*	*100%*
M21/95	*Live*	*Day Dawn*	*100%*	*-*	*100%*
P20/2007	*Live*	*Mafeking Bore*	*100%*	*-*	*100%*
P20/2153	*Live*	*Cue*	*100%*	*-*	*100%*
P20/2248	*Live*	*East of Emilly Wells*	*100%*	*-*	*100%*
P20/2249	*Live*	*Emily Wells*	*100%*	*-*	*100%*
P20/2250	*Live*	*South of Emily Wells*	*100%*	*-*	*100%*
P20/2331	*Live*	*Emily Wells*	*100%*	*-*	*100%*
P20/2333	*Live*	*Jims Find*	*100%*	*-*	*100%*
P20/2334	*Live*	*Jims Find*	*100%*	*-*	*100%*

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Tenement ID	Status	Location	Interest at the beginning of the quarter	Interest acquired or disposed	Interest at the end of the quarter
P20/2345	Live	Cue	100%	-	100%
P20/2346	Live	Cue	100%	-	100%
P20/2352	Live	Cue	100%	-	100%
P20/2353	Live	Cue	100%	-	100%
P20/2354	Live	Cue	100%	-	100%
P20/2355	Live	Cue	100%	-	100%
P20/2356	Live	Cue	100%	-	100%
P20/2357	Live	Cue	100%	-	100%
P20/2358	Live	Cue	100%	-	100%
P20/2359	Live	Cue	100%	-	100%
P20/2360	Live	Cue	100%	-	100%
P20/2383	Live	Cue	100%	-	100%
P20/2397	Live	Beringarra	100%	-	100%
P20/2398	Live	Mafeking Bore	100%	-	100%
P20/2402	Live	Cue	100%	-	100%
P20/2403	Live	Cue	100%	-	100%
P20/2409	Live	Murchison	100%	-	100%
P20/2410	Live	Murchison	100%	-	100%
P20/2468	Live	Cue	100%	-	100%
P20/2469	Live	Cue	100%	-	100%
P21/772	Live	Trenton hill	100%	-	100%
P21/773	Live	Trenton hill	100%	-	100%
P21/774	Live	Cue	100%	-	100%
P21/775	Live	Cue	100%	-	100%
P21/776	Live	Cue	100%	-	100%
P46/1975	Live	Nullagine	100%		100%
P46/1976	Live	Nullagine	100%		100%

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Victory Metals Limited

ACN	Quarter ended ("current quarter")
124 279 750	30 June 2024

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(349)	(1,205)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	56
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Stamp Duty Refund)	-	105
	R&D refund	773	773
1.9	**Net cash from / (used in) operating activities**	**428**	**(271)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(796)	(3,192)
	(e) investments	-	-
	(f) other non-current assets	-	(10)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Acquisition of entity (cash acquired)	-	-
2.6	**Net cash from / (used in) investing activities**	**(796)**	**(3,202)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	895
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(121)	(135)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9a	Proceeds from issues of equity securities to be allotted	-	-
3.9b	Repayment of lease liabilities	-	-
3.10	**Net cash from / (used in) financing activities**	**2,379**	**3,260**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	895	3,119
4.2	Net cash from / (used in) operating activities (item 1.9 above)	428	(271)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(796)	(3,202)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,379	3,260
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,906**	**2,906**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,156	395
5.2	Call deposits	1,750	500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,906**	**895**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	104
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

* *Payments in relation to Director's fees for the period.*

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	428
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(796)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(368)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,906
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,906
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7.91

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....8 July 2024.....

Authorised by: .....The Board of Directors of the Company.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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