

**NOTICES OF MEETINGS
AND
JOINT MANAGEMENT INFORMATION CIRCULAR
CONCERNING AN ARRANGEMENT INVOLVING
VICTORY METALS INC.
AND
NEVADA KING MINING LTD.**

February 24, 2021

This document is important and requires your immediate attention. If you have any questions or require assistance, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisor. No securities regulatory authority in Canada or the United States has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offense to claim otherwise.

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

February 24, 2021

To the Shareholders of Nevada King Mining Ltd. and Victory Metals Inc.,

We announced on November 20, 2020, that Nevada King Mining Ltd. (“**Nevada King**”) and Victory Metals Inc. (“**Victory**”) had entered into an agreement to combine their businesses (the “**Merger**”), creating a leading Nevada explorer and developer, focused exclusively on the Battle Mountain Trend, one of the world’s most endowed and prolific gold trends.

The combined company will be renamed Nevada King Gold Corp. (the “**Combined Company**”) and will have a portfolio of assets in Nevada anchored by the Iron Point Project and the Atlanta Project. These core assets are combined with a portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Golconda Gold, Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana. These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines. Additionally, the Combined Company will be well financed with at least \$20,000,000 in working capital to advance key projects through the exploration and development stages, while continuing to pursue target land acquisitions in the State of Nevada.

Management and directors of both Nevada King and Victory believe that combining the two businesses to form the Combined Company will bring benefits to the shareholders of both companies. The Combined Company will have:

- a strong, combined leadership team with the financial, technical, construction and operations experience to advance the combined assets;
- a significant cash position of approximately \$20,000,000 million at closing, with a simplified balance sheet and no cash debt;
- an increase in scale that we believe will result in an enhanced capital markets profile and increased access to capital, providing construction financing flexibility to advance the portfolio of assets to production;
- a broad shareholder base with supportive and recognized investors and improved liquidity; and
- a diversified asset portfolio in Nevada, providing a platform for growth and putting the Combined Company on the path toward becoming a dominant landholder and operator in Nevada.

Pursuant to the terms and conditions of the definitive arrangement agreement that was announced on December 15, 2020, Victory will acquire all of the issued and outstanding common shares of Nevada King (“**Nevada King Shares**”) pursuant to a plan of arrangement with Nevada King under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”). In return, Victory will issue as consideration to the Nevada King Shareholders, that number of Victory common shares (“**Victory Shares**”) for each Nevada King Share that will result in the former Nevada King Shareholders immediately prior to the closing of the Arrangement owning, in aggregate, 50% of the issued and outstanding Victory Shares immediately after the closing of the Arrangement on a non-diluted basis (the “**Exchange Ratio**”). If the Arrangement were completed as of the date of this letter, each shareholder of Nevada King would be entitled to

receive 1.7213 Victory common shares for each Nevada King common share held. Completion of the Arrangement is subject to several conditions, including the approval of Nevada King shareholders, Victory shareholders and the TSXV.

In connection with the Arrangement, Victory has completed a private placement of subscription receipts (the “**Private Placement**”) that, concurrent with the completion of the Arrangement, will convert into Victory Shares. The Private Placement received significant interest from both institutional and private investors, demonstrating substantial support for the Merger. The Private Placement was originally contemplated to raise \$8 million but, as a result of investor demand, the Private Placement generated gross proceeds of \$18,043,796 (being held in escrow pending the completion of the Arrangement), which will leave the Combined Company well-funded and in a strong position to explore and develop its portfolio of assets. The Victory Shares to be issued pursuant to the Private Placement are being issued on a post-Merger basis and will not be included in the calculation of the Exchange Ratio.

You will be asked to vote on the Arrangement, and a number of other items as outlined in the attached circular, at the special meeting of Nevada King shareholders or the annual and special meeting of Victory, both to be held on March 31, 2021. Your vote is important. You can vote in person or by proxy at the meeting, and by proxy on the internet, by phone, by fax or by mail.

Accompanying this letter is a notice from Nevada King calling a special meeting of Nevada King shareholders to consider, among other resolutions, the resolutions required to approve the Merger. Victory is also giving notice of its annual and special meeting of Victory shareholders to consider, among other resolutions, the issuance of Victory common shares required to complete the Merger.

All of Nevada King’s directors and officers and certain of Nevada King’s shareholders have demonstrated their support by agreeing to vote their shares in favour of the Merger, representing 51% of Nevada King’s issued and outstanding shares. Likewise, Victory’s directors and officers and certain of Victory’s shareholders have agreed to vote their shares in favour of the Merger, representing 53.3% of Victory’s issued and outstanding shares.

Included with this letter and the notices of the meetings is a joint circular of the two companies, setting out extensive information about both companies as well as the combined company that will result from completion of the Arrangement. The circular includes information about the matters to be discussed at the meetings, as well as detailed instructions regarding your rights as shareholders of the companies, how to vote your shares and more information regarding our analysis of the proposed Merger and our recommendation that you support the Merger.

We hope that you will join us in building a new company, Nevada King Gold Corp., with the vision of becoming a leading Nevada explorer and developer and a dominant landholder and operator, focused exclusively on the Battle Mountain Trend.

Sincerely,

“Susan Lavertu”

Susan Lavertu
Chief Executive Officer
Nevada King Mining Ltd.

“Paul Matysek”

Paul Matysek
Executive Chairman
Victory Metals Inc.

VICTORY METALS INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
VICTORY METALS INC.**

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Victory Meeting**”) of holders (“**Victory Shareholders**”) of common shares of Victory Metals Inc. (“**Victory**”) will be held on March 31, 2021 at 10:00 a.m. (Vancouver time), at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8, for the following purposes:

1. to receive and consider the audited financial statement of Victory for the financial year ended March 31, 2020, together with the auditor’s report thereon;
2. To appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of Victory for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
3. To elect the directors of Victory to hold office for the ensuing year;
4. To consider and, if deemed appropriate, to pass an ordinary resolution to re-approve the existing stock option plan of Victory (the “**Victory Stock Option Plan**”), as more particularly described in the accompanying Circular;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the “**Victory Arrangement Resolution**”), the full text of which is set forth in Appendix A to the accompanying joint management information circular of Victory and Nevada King Mining Ltd. (“**Nevada King**”) dated February 24, 2021 (the “**Circular**”), approving the issuance, or reservation for issuance, by Victory of such number of common shares of Victory (“**Victory Shares**”) as may be required to be issued pursuant to the plan of arrangement (the “**Arrangement**”) under section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving Victory and Nevada King pursuant to which Victory will, among other things, acquire all of the issued and outstanding common shares of Nevada King, all as more particularly described in the Circular;
6. Subject to the approval of the Victory Arrangement Resolution, to set, conditional upon, and effective as of completion of the Arrangement (as defined below), the number of directors of Victory at five;
7. Subject to the approval of the Victory Arrangement Resolution, to elect, conditional upon, and effective as of the completion of the Arrangement, as contemplated in the Arrangement Agreement (as defined below), a new slate of directors of Victory, for the ensuing year; and
8. to transact such further and other business as may properly be brought before the Victory Meeting or any postponement or adjournment thereof.

Please Read This Important Notice

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Victory Shareholders, Victory employees and other stakeholders, and based on government recommendations to avoid large gatherings, **we strongly encourage Victory Shareholders to vote in advance of the Victory Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Victory Meeting in person.**

Any person who wishes to attend the Victory Meeting in person must first register with the Victory Meeting's host at least 72 hours in advance and receive approval, by calling Michael Stewart at 604-631-1440 or by email at mmstewart@stikeman.com.

The ability of Victory Shareholders to attend the Victory Meeting in person is subject to any governmental orders applicable at the time of the Victory Meeting which might prevent or restrict Victory Shareholders from attending in person. Victory Shareholders who do wish to attend the Victory Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Victory Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Victory Meeting. Please do not attend the Victory Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Victory Meeting.

Victory is monitoring developments regarding COVID-19. In the event Victory decides any change to the date, time, location or format of the Victory Meeting are necessary or appropriate due to difficulties arising from COVID-19, Victory will promptly notify Victory Shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at www.sedar.com.

Specific details of the matters proposed to be put before the Victory Meeting are set forth in the Circular which accompanies this Notice of Annual General and Special Meeting of Victory Shareholders.

The board of directors of Victory (the "**Victory Board**") recommends that Victory Shareholders vote **IN FAVOUR** of the Victory Arrangement Resolution. It is a condition to the completion of the Arrangement that the Victory Arrangement Resolution be approved at the Victory Meeting. Collin Kettell, CEO and director of Victory and Executive Chairman of Nevada King, and Craig Roberts, director of Victory and an advisor to Nevada King who was to be nominated for election as a director of Nevada King at the next annual meeting of shareholders of Nevada King, declared their interest in the Arrangement and abstained from voting at the Victory Board meeting in respect of the Arrangement and related matters.

The record date for determining the Victory Shareholders entitled to receive notice of and to vote at the Victory Meeting is the close of business on February 23, 2021 (the "**Record Date**"). Only Victory Shareholders whose names have been entered in the register of Victory Shareholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the Victory Meeting.

Your vote is important regardless of the number of Victory Shares you own. Victory Shareholders are invited to attend the Victory Meeting. Registered Victory Shareholders who are unable to attend the Victory Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote over the internet (www.alliancetrust.ca/shareholders), in each case in accordance with the enclosed instructions. To be used at the Victory Meeting, the completed proxy form must be deposited at the office of Alliance Trust Company ("**Alliance**"), at their offices located at Suite 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by mail, fax (403-237-6181) or email (inquiries@alliancetrust.ca) or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-registered Victory Shareholders should complete and send the form of proxy or voting instruction form in accordance with the instructions provided on such form. To be effective, a proxy must be received by Alliance not later than 10:00 a.m. (Vancouver time) on March 29, 2021, or in the case of any postponement or adjournment of the Victory Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays), prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the Victory Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.**

DATED this 24th day of February, 2021.

**BY ORDER OF THE BOARD OF
DIRECTORS**

"Paul Matysek"

Paul Matysek

Executive Chairman

NEVADA KING MINING LTD.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF
NEVADA KING MINING LTD.**

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Supreme Court of British Columbia dated February 24, 2021 (the “**Interim Order**”), a special meeting (the “**Nevada King Meeting**”) of the holders (the “**Nevada King Shareholders**”) of common shares (the “**Nevada King Shares**”) of Nevada King Mining Ltd. (“**Nevada King**”) will be held at 2600 – 595 Burrard Street, Vancouver, British Columbia, V7X 1L3 on March 31, 2021 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution of the Nevada King Shareholders, the full text of which is set forth in Appendix B to the accompanying joint management information circular of Nevada King and Victory Metals Inc. (“**Victory**”) dated February 24, 2021 (the “**Circular**”), approving a plan of arrangement (the “**Arrangement**”) under section 192 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving Nevada King and Victory pursuant to which Victory will, among other things, acquire all of the issued and outstanding Nevada King Shares, all as more particularly described in the Circular;
2. to transact such further and other business as may properly be brought before the Nevada King Meeting or any postponement or adjournment thereof.

Please Read This Important Notice

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Nevada King Shareholders, Nevada King employees and other stakeholders, and based on government recommendations to avoid large gatherings, **we strongly encourage Nevada King Shareholders to vote in advance of the Nevada King Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Nevada King Meeting in person.**

Any person who wishes to attend the Nevada King Meeting in person must first register with the Nevada King Meeting’s host at least 72 hours in advance and receive approval, by calling Paul Heller at 604-631-3341 or by email at paul.heller@blakes.com.

The ability of Nevada King Shareholders to attend the Nevada King Meeting in person is subject to any governmental orders applicable at the time of the Nevada King Meeting which might prevent or restrict Nevada King Shareholders from attending in person. Nevada King Shareholders who do wish to attend the Nevada King Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>).

We ask that Nevada King Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Nevada King Meeting. Please do not attend the Nevada King Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Nevada King Meeting.

Nevada King is monitoring developments regarding COVID-19. In the event Nevada King decides any change to the date, time, location or format of the Nevada King Meeting are necessary or appropriate due to difficulties arising from COVID-19, Nevada King will promptly notify Nevada King Shareholders of the change by issuing a news release, a copy of which will be available on Nevada King's website at <https://nevadaking.ca/>.

Specific details of the matters proposed to be put before the Nevada King Meeting are set forth in the Circular which accompanies this Notice of Special Meeting of Nevada King Shareholders.

The board of directors of Nevada King (the “**Nevada King Board**”) recommends that Nevada King Shareholders vote IN FAVOUR of the Nevada King Arrangement Resolution. It is a condition to the completion of the Arrangement that the Nevada King Arrangement Resolution be approved at the Nevada King Meeting.

The interests of each of (i) the directors of Nevada King in the transaction contemplated by the Arrangement are set out in the accompanying Circular for the purpose of disclosure to the Nevada King Shareholders pursuant to Section 148(2)(c) of the BCBCA for the Nevada King Arrangement Resolution, and (ii) the directors and officers of Nevada King in the transactions contemplated by the Arrangement in the section entitled “Interests of Directors and Officers of Nevada King in the Arrangement” of the Circular and elsewhere in the Circular for the purpose of Section 290(a)(ii) of the BCBCA.

The record date for determining the Nevada King Shareholders entitled to receive notice of and vote at the Nevada King Meeting is the close of business on February 23, 2021 (the “**Record Date**”). Only Nevada King Shareholders whose names have been entered in the central securities register of Nevada King Shareholders respectively, as of the close of business on the Record Date are entitled to receive notice of and to vote at the Nevada King Meeting.

Your vote is important regardless of the number of securities you own. Nevada King Shareholders are invited to attend the Nevada King Meeting. Nevada King Shareholders who are unable to attend the Nevada King Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy. To be effective, the enclosed proxy must be completed, dated, signed and received by Nevada King c/o Blake, Cassels & Graydon LLP, 595 Burrard Street, Suite 2600, Vancouver BC V7X 1L3, attention: Paul Heller, or via email at paul.heller@blakes.com, no later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of British Columbia) prior to the time fixed for the Nevada King Meeting or any adjournment(s) thereof.

Pursuant to and in accordance with the Interim Order and the provisions of sections 237 to 247 of the BCBCA (as may be modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court), each Nevada King Shareholder has been granted the right to dissent in respect of the Nevada King Arrangement Resolutions and the dissent rights are described in the accompanying Circular. To exercise such right, registered Nevada King Shareholders must (i) deliver a written notice of dissent to the Arrangement Resolutions to Nevada King, by mail c/o 2600 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3, Attention: Alexandra Luchenko, or by email to alexandra.luchenko@blakes.com by 5:00 p.m. (Vancouver time) on March 29, 2021 or two business days prior to any adjournment or postponement of the Meeting, (ii) not have voted in favour of the Arrangement Resolution, and (iii) have otherwise complied with the provisions of section 238 of the BCBCA, as modified and supplemented by the Interim Order the Plan of Arrangement and any other order of the

Court. The right to dissent is described in the accompanying Circular and the texts of the Plan of Arrangement, Interim Order and sections 237 to 247 of the BCBCA are set forth in Schedule “C”, Schedule “E” and Schedule “J”, respectively, to the accompanying Circular.

Persons who are beneficial owners of Nevada King Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Nevada King Shares are entitled to dissent. Accordingly, a beneficial owner of Nevada King Shares desiring to exercise this right must make arrangements for the Nevada King Shares beneficially owned by such person to be registered in his, her or its name prior to the time the written notice of dissent to the Arrangement Resolution is required to be received by Nevada King or, alternatively, make arrangements for the registered holder of Nevada King Shares to dissent on his, her or its behalf. Nevada King Optionholders are not entitled to exercise dissent rights in respect of their Nevada King Options.

Failure to comply strictly with the dissent procedures set forth in the BCBCA, as may be modified and supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court may result in the loss of any right of dissent.

DATED this 24th day of February, 2021.

**BY ORDER OF THE BOARD OF
DIRECTORS**

“Philip O’Neill”

Philip O’Neill
President and Director

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ADDENDA

Appendix A	Victory Arrangement Resolution
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Appendix C	Plan of Arrangement
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Appendix F	Notice of Hearing of Petition for Final Order
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Appendix J	Arrangement and Dissent Provisions of the British Columbia Business Corporation Act

JOINT MANAGEMENT INFORMATION CIRCULAR

Please Read This Important Notice

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Victory Shareholders, Nevada King Shareholders, both companies respective employees and other stakeholders, and based on government recommendations to avoid large gatherings, both Victory and Nevada King **strongly encourage you to vote in advance of the Victory Meeting and Nevada King Meeting rather than appearing in person, or appointing an alternate proxyholder to attend in person.**

For further information regarding the Victory Meeting, please review the information below under the heading “*General Information Concerning the Victory Meeting and Voting*” and for further information regarding the Nevada King Meeting, please review the information below under the heading “*General Information Concerning the Nevada King Meeting and Voting*”.

The ability of Victory Shareholders or Nevada King Shareholders to attend the Victory Meeting or Nevada King Meeting in person is subject to any governmental orders applicable at the time of the either meeting which might prevent or restrict Victory Shareholders or Nevada King Shareholders from attending in person. Victory Shareholders or Nevada King Shareholders who do wish to attend their respective meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Victory Shareholders and Nevada King Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the respective meeting. Please do not attend either meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to March 31, 2021.

Victory and Nevada King are monitoring developments regarding COVID-19. In the event Victory or Nevada King decides any change to the date, time, location or format of their respective meetings are necessary or appropriate due to difficulties arising from COVID-19, Victory or Nevada King will promptly notify the Victory Shareholders or Nevada King Shareholders of the change by issuing a news release, a copy of which will be available on Victory’s SEDAR profile at www.sedar.com or Nevada King’s website at <https://nevadaking.ca/>.

Information Contained In This Circular

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of Victory and Nevada King for use at the Victory Meeting and the Nevada King Meeting, respectively, and any adjournment(s) or postponement(s) thereof. No person is authorized to give any information or make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized or as being accurate. For greater certainty, to the extent that any information provided on Nevada King’s or Victory’s website is inconsistent with this Circular, you should rely on the information provided in this Circular.

The information concerning Nevada King contained in this Circular has been provided by Nevada King. Although Victory has no knowledge that would indicate that any of the information provided by Nevada King is untrue or incomplete, Victory does not assume any responsibility for the accuracy or completeness of such information or the failure by Nevada King to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Victory.

The information concerning Victory contained in this Circular has been provided by Victory. Although Nevada King has no knowledge that would indicate that any of the information provided by Victory is untrue or incomplete, Nevada King does not assume any responsibility for the accuracy or completeness of such information or the failure by Victory to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Nevada King.

All summaries of, and references to, the Arrangement Agreement and the Plan of Arrangement in this Circular are qualified in their entirety by the complete text of those documents. The Arrangement Agreement is available on SEDAR at www.sedar.com under each of the Parties' SEDAR profiles. The Plan of Arrangement is attached hereto as "*Appendix C – Plan of Arrangement*". You are urged to read carefully the full text of the Plan of Arrangement and the Arrangement Agreement.

Information in this Circular is given as at February 24, 2021 unless otherwise indicated. Information contained in the documents incorporated herein by reference is given as at the respective dates stated therein.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

Victory Shareholders and Nevada King Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

Defined Terms

This Circular contains defined terms. For a list of the defined terms used herein, see the "*Glossary of Defined Terms*" in this Circular.

Reporting Currency, Exchange Rate and Financial Information

Both Nevada King and Victory publish their consolidated financial statements in Canadian dollars. Except as otherwise indicated in this Circular, references to "Canadian dollars", "\$" is to the currency of Canada and references to "U.S. dollars" or "US\$" are to the currency of the United States. For greater certainty, any reference to currency with respect to the Arrangement is in Canadian dollars.

The following table sets forth: (i) the rates of exchange for U.S. dollars, expressed in Canadian dollars, in effect at the end of each of the periods indicated; (ii) the average exchange rates in effect during each of the periods indicated; and (iii) the high and low exchange rates during such periods, in each case based on the daily exchange rates provided by the Bank of Canada.

	Year Ended December 31,		
	2020	2019	2018
High	1.4496	1.3600	1.3642
Low	1.2718	1.2988	1.2288
Average	1.3415	1.3269	1.2957
Period End	1.2732	1.3059	1.3642

On February 23, 2021 the Bank of Canada daily exchange rate for one U.S. dollars expressed in Canadian dollars was \$1.2603.

Except as otherwise indicated in this Circular, all financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to Victory and Nevada King, have been prepared and presented in Canadian dollars in accordance with IFRS.

Forward-Looking Statements

Certain statements contained herein may constitute “forward-looking statements” or “forward-looking information” (collectively, “**forward-looking statements**”) and are made pursuant to the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and Securities Laws. Forward-looking statements are statements which relate to future events. Such statements include estimates, forecasts and statements with respect to, among other things, the ability of Victory and Nevada King to consummate the Arrangement on the terms of the Arrangement Agreement; particulars regarding the Victory and Nevada King Meetings; the final Court approval of the Arrangement; the anticipated benefits of the Arrangement, including business and financial prospects, the effect of the Arrangement on project development risks; the completion and use of proceeds from the Private Placement; future trends, plans, strategies, objectives and expectations, including with respect to costs, capital requirements, availability of financing, production, exploration and reserves and resources; and potential future operations. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when, and if, a project is actually developed. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, or “continue” or the negative of these terms or other comparable terminology.

These forward-looking statements are based on a number of assumptions, including assumptions regarding the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder, stock exchange and regulatory approvals and the ability of the parties to satisfy in a timely manner, the conditions to the closing of the Arrangement and the Private Placement; the value of Victory’s and Nevada King’s respective assets; the successful completion of mining and mineral projects, planned expansions or other projects within the timelines anticipated and at anticipated production levels; the accuracy of reserve and resource, grade, mine life, cash cost, net present value and internal rate of return estimates and other assumptions, projections and estimates made in the technical reports for the Iron Point Project and the Atlanta Project; that mineral resources can be developed as

planned; interest and exchange rates; that required financing and permits will be obtained; general economic conditions; that labour disputes, surface rights disputes, access to property, flooding, ground instability, fire, failure of plant, equipment or processes to operate as anticipated and other risks of the mining industry will not be encountered; the price of gold, silver, vanadium and other metals; competitive conditions in the mining industry; title to mineral properties; and changes in laws, rules and regulations applicable to Victory and Nevada King.

Although management of Victory and Nevada King believe that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Actual results and developments may differ materially from those expressed or implied by the forward-looking statements contained herein and even if such actual results and developments are realized or substantially realized, there can be no assurance that they will have the expected consequences or effects. Factors which could cause actual results to differ materially from current expectations include non-completion of the Arrangement, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder, stock exchange and regulatory approvals or the inability of the parties to satisfy in a timely manner the other conditions to the closing of the Arrangement; changes in market conditions; actual results being materially different than reserve and resource projections and estimates made in the technical reports for the Iron Point Project and the Atlanta Project; risks relating to international operations; fluctuations in gold, silver, vanadium and other metal prices and currency exchange rates; failure to obtain required financing; inability to successfully complete mining and mineral projects, planned expansions or other projects within the timelines anticipated; natural disasters; adverse changes to general economic conditions or applicable laws, rules and regulations; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; labour disputes, surface rights disputes, access to property, flooding, ground instability, fire and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; the risk of an undiscovered defect in title or other adverse claim; and the risk that results of exploration activities will be different than anticipated.

Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. Victory and Nevada King do not intend to update any forward-looking statements to conform these statements to actual results, except as required by applicable law.

National Instrument 43-101

The material property of Victory is the Iron Point Project. All information concerning the Iron Point Project in this Circular has been provided by Victory. Unless otherwise stated, scientific and technical information concerning the Iron Point Project is summarized, derived, or extracted from the Iron Point Project Report. The Iron Point Project Report has been filed with Canadian securities regulatory authorities and is available for review on Victory's profile on SEDAR at www.sedar.com. For a complete description of assumptions, qualifications, and procedures associated with the information in the Iron Point Project, reference should be made to the full text of the report.

The material property of Nevada King is the Atlanta Project. All information concerning the Atlanta Project in this Circular has been provided by Nevada King. Unless otherwise stated, scientific and technical information concerning the Atlanta Project is summarized, derived, or extracted from the Atlanta Project Report. The Atlanta Project Report has been filed by Victory with Canadian securities regulatory authorities and is available for review on the profile of

Victory on SEDAR at www.sedar.com. For a complete description of assumptions, qualifications, and procedures associated with the information in the Atlanta Project Report, reference should be made to the full text of the report.

Each of the authors of the Atlanta Project Report and the Iron Point Project Report listed under the heading “Interests of Experts” in this Circular is a “qualified person” for the purposes of NI 43-101.

Readers are reminded that the Atlanta Project Report and the Iron Point Project Report are preliminary in nature and may include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the mine plans and economic models contained in any of the Atlanta Project Report and the Iron Point Project Report will be realized. Readers are further cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Information for United States Shareholders

The Victory Shares issuable under the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable state Securities Laws, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof and applicable state Securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of such issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on February 24, 2021, and, subject to the approval of the Nevada King Arrangement Resolution by the Nevada King Shareholders and the approval of the Victory Arrangement Resolution by the Victory Shareholders, a hearing for a Final Order will be held on in a timely fashion following the Meetings, in order to close the Arrangement and related transactions in an orderly fashion, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. All Nevada King Shareholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order.

The Consideration Shares to be received by Nevada King Shareholders upon completion of the Arrangement may be resold without restriction in the United States, except in respect of resales by persons who are “affiliates” (within the meaning of Rule 144 under the U.S. Securities Act) of Victory at the time of such resale or who have been affiliates of Victory within 90 days before such resale. Any resale of such Consideration Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirement of the U.S. Securities Act, absent an exemption therefrom. See “*Securities Law Considerations – United States Securities Law Matters*”.

Nevada King and Victory are “foreign private issuers,” within the meaning of Rule 3b-4 under the U.S. Exchange Act, and the solicitation of proxies for the Nevada King Meeting and the Victory Meeting are not subject to the requirements of section 14(a) of the U.S. Exchange Act.

Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Nevada King Shareholders and Victory Shareholders in the United States should be aware that such requirements are different from those applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act, and the solicitations and transactions contemplated in the Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws. The unaudited historical interim financial statements and audited historical financial statements of Nevada King and Victory and other financial information included or incorporated by reference in this Circular have been prepared in U.S. dollars. In addition, such financial statements and other financial information included or incorporated by reference in this Circular have been prepared in accordance with IFRS, which differs from U.S. GAAP in certain material respects, and thus are not directly comparable to financial statements prepared in accordance with U.S. GAAP and auditor independence standards.

Nevada King Shareholders should be aware that the Arrangement described in this Circular may have tax consequences in both the United States and Canada. Nevada King Shareholders who are resident in, or citizens of, the United States are advised to review the summaries contained in this Circular under the headings "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*" and "*Certain United States Federal Income Tax Considerations*" and to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Information concerning the properties and operations of Nevada King and Victory has been prepared in accordance with the requirements of Securities Laws, which differ from the requirements of United States Securities Laws. Mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Until now, Canadian standards, including NI 43-101, have differed significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies under SEC standards. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under heretofore-applicable United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by United States standards in documents filed with the SEC. United States investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the

quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. While recently-adopted disclosure standards are intended to more closely align with Canadian standards, these newer U.S. standards are not fully applicable until the end of 2021. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to past, current or future reporting and disclosure requirements under the U.S. federal Securities Laws and the rules and regulations thereunder.

The enforcement by investors of civil liabilities under the United States federal and state Securities Laws may be affected adversely by the fact that Nevada King and Victory are organized under the laws of a jurisdiction other than the United States, that some or all of their officers and directors are and will be residents of countries other than the United States, that some or all of the experts named in this Circular may be residents of countries other than the United States, and that all or a substantial portion of the assets of Nevada King and Victory and such persons are and will be located outside the United States. As a result, it may be difficult or impossible for Nevada King Shareholders or Victory Shareholders resident in the United States to effect service of process within the United States upon Nevada King or Victory, as applicable, their respective officers and directors or the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the Securities Laws of the United States. In addition, the Nevada King Shareholders and the Victory Shareholders resident in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the Securities Laws of the United States or the state-specific “blue sky” Securities Laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the Securities Laws of the United States or the state-specific “blue sky” Securities Laws of any state within the United States.

THE VICTORY SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

SUMMARY

The following is a summary of certain information contained elsewhere in, or incorporated by reference into, this Circular, including the Appendices hereto. Certain capitalized terms used in this summary are defined in the “*Glossary of Defined Terms*” or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Circular.

The Meetings

Only Nevada King Shareholders and Victory Shareholders of record at the close of business on February 23, 2021 (the “**Record Date**”) will be entitled to receive notice of and vote at the Meetings, or any adjournment or postponements thereof.

Victory Meeting

The Victory Meeting will be held at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8, on March 31, 2021 at 10:00 a.m. (Vancouver time). The purpose of the Victory Meeting is to consider and, if thought advisable, approve the Victory Arrangement Resolution, as more particularly described in Victory’s Notice of Special Meeting accompanying this Circular.

Nevada King Meeting

The Nevada King Meeting will be held at 2600 – 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, on March 31, 2021 at 10:00 a.m. (Vancouver time). The purpose of the Nevada King Meeting is to consider and, if thought advisable, approve the Nevada King Arrangement Resolution, as more particularly described in Nevada King’s Notice of Special Meeting accompanying this Circular.

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of arm’s length negotiations between representatives of Victory and Nevada King and their respective advisors. Details of the background to the Arrangement are set out under the heading “*The Arrangement — Background to the Arrangement*”.

Reasons for the Recommendation of the Victory Board, the Victory Special Committee and the Nevada King Board

In making their respective recommendations, the Victory Board, the Victory Special Committee and the Nevada King Board consulted with their respective advisors and reviewed financial and technical information relating to Victory and Nevada King. The following disclosure includes forward-looking information and readers are cautioned that actual results may vary. The Victory Board, the Victory Special Committee and the Nevada King Board considered a number of factors, including:

- **Highly Experienced Team:** The Combined Company will have an established board and management with financial, technical, construction and operations experience to advance the combined assets. Each of Victory and Nevada King

will appoint nominees to the Combined Company's Board as of the Effective Time of closing of the Arrangement:

- Paul Matysek will be the Executive Chairman and Collin Kettell will be the Chief Executive Officer of the Combined Company. In addition, the intended retention of Victory and Nevada King's technical team will encourage continued exploration of Nevada King and Victory's existing mineral exploration projects.
 - The Board of Directors will consist of Paul Matysek, Collin Kettell, Douglas Forster, Craig Roberts and Quinton Hennigh.
- **Significant Cash Position and Simplified Balance Sheet:** The Combined Company is expected to be well-capitalized following completion of the Private Placement.
- **Diversified Asset Portfolio:** The asset portfolio is expected to be anchored by the Atlanta Project and the Iron Point Project, both 100% owned development stage assets, in addition to the growing number of active claims currently held by Nevada King, all focused exclusively on the prolific Battle Mountain Trend.
- **Business and Industry Risks:** The current business operations, assets, financial performance and condition, operating results and prospects of Nevada King and Victory, including the long-term expectations regarding their operating performance. The current industry and economic conditions and trends and the relevant risks and uncertainties.
- **Participation in the Combined Entity:** Nevada King Shareholders and Victory Shareholders should have the opportunity to participate in a combined company that should have increased market capitalization and that is anticipated to receive greater market attention than Nevada King and Victory currently receive on a combined basis, which should also result in greater liquidity.
- **Increased Financial Capacity:** The transaction is subject to the completion of an equity raise of \$8 million. Victory has already completed a non-brokered financing of 32,806,902 Victory Subscription Receipts for aggregate gross proceeds of \$18,043,796. The equity raise will facilitate the unlocking of value in the Combined Company's asset portfolio.
- **Reduced Risk:** The strengthened treasury and asset portfolio of the Combined Company reduces the risk associated with the current business, operations, assets, financial performance and condition, operating results, prospects, and uncertainties faced by Victory and Nevada King individually, including long-term expectations regarding operating performance, current industry and economic conditions and trends and uncertainties related to those long-term expectations.
- **Fairness Opinions:** The Victory Board and the Victory Special Committee received a Fairness Opinion from Fort Capital Partners ("**Fort Capital**") to the effect that, as of November 16, 2020, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the Consideration Shares to be issued by Victory pursuant to the Arrangement is fair, from a financial point of

view, to the Victory Shareholders. See “*The Arrangement – Victory Fairness Opinion*”.

- **Support of Directors, Officers and Significant Shareholders:** Certain of the directors, officers and largest shareholders of each of Victory and Nevada King have entered into Lock-Up Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Shares in favour of the Arrangement. Further, the Combined Company will be supported by a strong shareholder base characterized by significant insider and institutional ownership.
- **Ability to Respond to Unsolicited Offers.** Subject to the terms of the Arrangement Agreement, the Nevada King Board and the Victory Board both remain able to respond to any unsolicited bona fide written proposal that, having regard for all of the terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Nevada King or Victory Shareholders as the case may be from a financial point of view than the Arrangement.

See “*The Arrangement – Reasons for the Recommendation of the Victory Board, the Victory Special Committee and the Nevada King Board.*”

Recommendation of the Victory Board

After careful consideration, including consultation with its independent legal and financial advisors, the Victory Board determined that the Arrangement is in the best interests of Victory. The Victory Board recommends that Victory Shareholders vote **FOR** the Victory Arrangement Resolution. Collin Kettell, CEO and director of Victory and Executive Chairman of Nevada King, and Craig Roberts, director of Victory and an advisor to Nevada King who was to be nominated for election as a director of Nevada King at the next annual meeting of shareholders of Nevada King, declared their interest in the Arrangement and abstained from voting at the Victory Board meeting in respect of the Arrangement and related matters.

Victory Fairness Opinion

Pursuant to an engagement letter dated as of November 6, 2020, Fort Capital provided Victory with various financial advisory services in connection with the Arrangement including, among other things, the provision of the Victory Fairness Opinion.

On November 16, 2020, Fort Capital delivered to the Victory Special Committee an oral opinion that, as of such date and based upon and subject to the assumptions, limitations and qualifications set forth in the Victory Fairness Opinion, the consideration to be received by the Nevada King Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Victory Shareholders.

The Victory Fairness Opinion, as well as the limitations and qualifications that the Victory Fairness Opinion is subject to, is attached as “Appendix D – Victory Fairness Opinion” to this Circular and forms part of this Circular. Victory Shareholders are urged to read the full text of the Victory Fairness Opinion in its entirety. The Victory Fairness Opinion does not constitute a recommendation to any Victory Shareholder as to how such Victory Shareholder should vote in respect of the matters to be considered at either of the

Victory Meeting or the Nevada King Meeting. See “*The Arrangement – Victory Fairness Opinion*”.

Recommendation of the Nevada King Board

After careful consideration, including consultation with its legal and other advisors, the Nevada King Board unanimously determined that the Arrangement is in the best interests of Nevada King. The Nevada King Board approved the Arrangement Agreement and recommends that the Nevada King Shareholders vote their Nevada King Shares **FOR** the Nevada King Arrangement Resolution.

Description of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as “*Appendix C – Plan of Arrangement*” to this Circular.

The purpose of the Arrangement is to effect the combination of the businesses of Nevada King and Victory through the acquisition of all of the issued and outstanding Nevada King Shares by Victory. Pursuant to the Arrangement Agreement, Victory and Nevada King have agreed to complete the Arrangement pursuant to which, among other things, Victory will acquire all the issued and outstanding Nevada King Shares. On completion of the Arrangement, Nevada King Shareholders and Victory Shareholders will hold 50% of the Combined Company (not including the Victory Shares issued upon conversion of the Victory Subscription Receipts).

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 12:01 a.m. (Vancouver time) on the Effective Date, or such later date as may be agreed to in writing by Nevada King and Victory). At the Effective Time, the following will be deemed to occur in the following order at five minute intervals following the completion of the previous event without any further authorization, act or formality:

- each Nevada King Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Nevada King and Nevada King shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 of the Plan of Arrangement, and: (i) the name of such holder shall be removed from the central securities register as a holder of Nevada King Shares and such Nevada King Shares shall be cancelled and cease to be outstanding; and (ii) such Dissenting Shareholders will cease to have any rights as Nevada King Shareholders other than the right to be paid the fair value for their Nevada King Shares.
- each Nevada King Share (other than a Nevada King Share held by a Dissenting Shareholder or a Nevada King Share held by Victory or any subsidiary of Victory) shall be deemed to be transferred to Victory and, in exchange for and in consideration therefor, Victory shall issue Consideration Shares for each Nevada King Share, subject to Section 3.3 and Article 5 of the Arrangement Agreement, and upon such exchange:
- each such holder of Nevada King Shares shall cease to be the holder thereof and to have any rights as a Nevada King Shareholder other than the right to be

paid the Consideration Shares for their Nevada King Shares in accordance with the Plan of Arrangement;

- each such exchanged Nevada King Share shall be cancelled, and the holders of such exchanged Nevada King Shares shall be removed from Nevada King's register of holders of Nevada King Shares;
- Victory shall be deemed to be the transferee of such Nevada King Shares free and clear of all liens, and shall be entered in the register of the Nevada King Shares maintained by or on behalf of Nevada King; and
- each holder of such exchanged Nevada King Shares shall be entered in Victory's central securities register in respect of the Consideration Shares which such holder is entitled to receive in accordance with Section 3.2(b) of the Plan of Arrangement.

No fractional Consideration Shares shall be issued to Former Nevada King Shareholders. The number of Consideration Shares to be issued to Former Nevada King Shareholders shall be rounded down to the nearest whole Victory Share in the event that a Former Nevada King Shareholder is entitled to a fractional share representing less than a whole Consideration Share and all Consideration Shares issued pursuant to the Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the BCBCA.

See "*Appendix C – Plan of Arrangement*" for additional information.

Letters of Transmittal

A Letter of Transmittal has been mailed, together with this Circular, to each person who was a Registered Nevada King Shareholder on the Record Date. In order for Registered Nevada King Shareholders to receive Consideration Shares for each Nevada King Share held by such Registered Nevada King Shareholder, such Registered Nevada King Shareholder must deposit the certificate(s) representing their Nevada King Shares with the Depositary. The Letter of Transmittal, properly completed and duly executed, together with all other documents and instruments referred to in the Letter of Transmittal or reasonably requested by the Depositary, must accompany all certificates for Nevada King Shares deposited for payment pursuant to the Arrangement.

Any Non- Registered Nevada King Shareholder whose Nevada King Shares are registered in the name of a broker, investment dealer, bank, trust corporation, trustee or other nominee should contact that nominee for assistance in depositing such Nevada King Shares and should follow the instructions of such nominee in order to deposit such Nevada King Shares with the Depositary.

See the "*The Arrangement – Letters of Transmittal*" for additional information.

Termination of Rights After Six Years

Any certificate which immediately prior to the Effective Time represented outstanding Nevada King Shares that are not deposited, with all other instruments required on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or

nature as a shareholder of Victory or as a former Nevada King Shareholder. On such date, the Consideration Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Victory together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of Victory, Nevada King or the Depositary shall be liable to any person in respect of any Consideration Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. **ACCORDINGLY, FORMER NEVADA KING SHAREHOLDERS WHO DEPOSIT WITH THE DEPOSITARY A COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND CERTIFICATES (IF APPLICABLE) REPRESENTING THEIR NEVADA KING SHARES AFTER THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE WILL NOT RECEIVE THE CONSIDERATION SHARES IN EXCHANGE THEREFOR AND WILL NOT OWN ANY INTEREST IN NEVADA KING OR VICTORY, AND WILL NOT BE PAID ANY CONSIDERATION SHARES OR OTHER COMPENSATION.**

Rights of Dissenting Nevada King Shareholders

The Interim Order expressly provides Nevada King Shareholders with the right to dissent with respect to the Nevada King Arrangement Resolution.

Each Dissenting Nevada King Shareholder is entitled to be paid the fair value (determined as of immediately before the passing of the Nevada King Arrangement Resolution) of all, but not less than all, of the holder's Nevada King Shares.

A Non-Registered Nevada King Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the Nevada King Shares are re-registered in the Nevada King Shareholder's name).

To exercise Dissent Rights, a Nevada King Shareholder must dissent with respect to all Nevada King Shares of which it is the registered and beneficial owner. **Any failure by a Nevada King Shareholder to fully comply with the provisions of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of that holder's Dissent Rights.** See *"Rights of Dissenting Nevada King Shareholders"*.

Private Placement

Victory recently completed the Private Placement for gross proceeds of \$18,043,796 to finance the operations of the Combined Company. The Private Placement was conducted on a post-Arrangement basis through the issuance of Victory Subscription Receipts. On December 23, 2020 Victory closed the first tranche of the Private Placement and issued 27,569,702 Victory Subscription Receipts at the Subscription Price of \$0.55 per Victory Subscription Receipt for gross proceeds of \$15.2 million. On January 15, 2021, Victory closed the second tranche of the private placement and issued 5,237,200 Victory Subscription Receipts at the Subscription Price for gross proceeds of \$2.9 million.

The Victory Subscription Receipts were issued pursuant to the Subscription Receipt Agreement entered into between Victory and Alliance, the Victory Subscription Receipt agent. Each Victory Subscription Receipt will entitle the subscriber to automatically receive upon closing of the Arrangement, without any further action on the part of the holder and without payment of additional consideration, one post-Arrangement Victory Share. The proceeds of the Private Placement will be used to advance Victory's development and exploration stage assets and for

other general corporate purposes. The Victory Shares issued pursuant to the Private Placement will be issued in conjunction with but after the closing of the Arrangement and will therefore not be included in the calculation of the Exchange Ratio.

The completion of the Arrangement, and the automatic conversion of the Victory Subscription Receipts thereafter, remains subject to customary closing conditions including approval of the TSXV, Victory and Nevada King Shareholders, and the Court. The proceeds of the Private Placement will be held in escrow pending the completion of the Arrangement. If the Arrangement is not completed before April 16, 2021, the Victory Subscription Receipts will be deemed to be cancelled and the holders of Victory Subscription Receipts will receive a cash amount equal to the aggregate Subscription Price of their Victory Subscription Receipts and any interest that was earned on the Subscription Price.

See *“The Arrangement - Private Placement”*.

Procedure for the Arrangement to Become Effective

The Arrangement is proposed to be carried out pursuant to section 288 of the BCBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Nevada King Shareholder Approval and the Victory Shareholder Approval must be obtained;
- the Court must grant the Final Order approving the Arrangement;
- all conditions precedent to the Arrangement further described in the Arrangement Agreement including receipt of necessary regulatory approvals and the completion of the Private Placement in connection with the consummation of the must be satisfied or waived by the appropriate Party;
- if applicable, the Final Order and related documents, in the form prescribed by the BCBCA, must be filed with the Director;
- in connection with the completion of the Arrangement, Victory will change its name to “Nevada King Gold Corp.” or such other name as the Parties agree to; and
- conditional upon completion of the Arrangement, at the Effective Time, the two Conditional Nominees not currently on the Victory Board will be appointed as directors of the Combined Company, each to hold office for the ensuing year.

Victory Shareholder Approval

At the Victory Meeting, the Victory Shareholders will be asked to approve the Victory Arrangement Resolution, the full text of which is set forth in *“Appendix A – Victory Arrangement Resolution”* to this Circular. In order for the Arrangement to become effective, the Victory Arrangement Resolution must be approved by at least a simple majority of the votes cast by Victory Shareholders at the Victory Meeting and a simple majority of the votes cast by Victory Shareholders excluding votes cast by Victory Shareholders who are required to be excluded in

accordance with section 8.1 of MI 61-101. See “*Securities Law Consideration – MI 61-101*” below.

Should the Victory Shareholders fail to approve the Victory Arrangement Resolution by the requisite majorities, the Arrangement will not be completed.

Nevada King Shareholder Approval

At the Nevada King Meeting, the Nevada King Shareholders will be asked to approve the Nevada King Arrangement Resolution, the full text of which is set forth in “*Appendix B – Nevada King Arrangement Resolution*” to this Circular. In order for the Nevada King Arrangement Resolution to become effective, as provided in the Interim Order, the Nevada King Arrangement Resolution must be approved by at least two-thirds of the votes cast by the Nevada King Shareholders at the Nevada King Meeting.

Should the Nevada King Shareholders fail to approve the Nevada King Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

Lock-Up Agreements

On December 14, 2020, the Nevada King Locked-Up Shareholders entered into the Victory Lock-Up Agreement with Victory and the Victory Locked-Up Shareholders entered into the Nevada King Lock-Up Agreements with Nevada King. The Lock-Up Agreements set forth, among other things, the agreement of such shareholders to vote their Nevada King Shares and their Victory Shares in favour of the Arrangement or the issuance of the Consideration Shares pursuant to the Arrangement, as applicable. As of the Record Date, 29,405,397 of the outstanding Nevada King Shares, and 52,808,154 of the outstanding Victory Shares were subject to the Lock-Up Agreements, representing approximately 51% of the outstanding Nevada King Shares and approximately 53.3% of the outstanding Victory Shares.

See “*The Arrangement - Lock-Up Agreements*”.

Court Approval and Completion of the Arrangement

The BCBCA requires that the Court approve the Arrangement.

On February 24, 2021, Nevada King obtained the Interim Order providing for the calling and holding of the Nevada King Meeting and other procedural matters. Copies of the Interim Order and the Notice of Hearing of Petition are attached as Appendix E and Appendix F, respectively, to this Circular.

If the Arrangement Resolution is approved at the Nevada King Meeting and subject to the Victory Shareholder Approval, Nevada King intends to make an application to the Court for the Final Order. The Interim Order provides for an application for a Final Order approving the Arrangement on April 2, 2021 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel for Nevada King may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Under the terms of the Interim Order, each Nevada King Shareholder who wish to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court, the Interim Order and any further order of the Court. Any Nevada King Shareholder or other person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving Nevada King, as applicable, at the addresses set out below, on or before 4:00 p.m. (Vancouver time) on March 31, 2021 a response to petition (a “**Response**”), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. Nevada King Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

Subject to the Court ordering otherwise, only those persons who file a Response in compliance with the Interim Order will be provided with notice of the materials to be filed with the Court and the opportunity to make submissions in support or opposition of the Final Order. If the hearing is postponed, adjourned or rescheduled, then subject to further order of the Court only those persons having previously served a Response in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement as proposed or as amended in any manner the Court may direct. The Court’s approval is required for the Arrangement to become effective.

The Final Order, if granted, will constitute the basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued to Nevada King Shareholders in exchange for their Nevada King Shares pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court has been or will be informed of this effect of the Final Order.

See “*The Arrangement - Court Approval and Completion of the Arrangement*”.

Stock Exchange Listing and Reporting Issuer Status

The Victory Shares currently trade on the TSXV under the symbol “VMX”. Victory has applied to the TSXV to list the Consideration Shares issuable under the Arrangement and the Private Placement. It is a condition of closing that Victory will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV subject to notice of issuance. Victory has received conditional approval from the TSXV for the Arrangement, subject to the requisite shareholder and Court approvals.

In connection with the Arrangement, Victory intends to change its name to “Nevada King Gold Corp.” and expects to trade on the TSXV under the ticker symbol “NKG”.

Information Relating to the Combined Company

The Combined Company will be a publicly traded company focused on gold exploration and development of assets along the Battle Mountain Trend, Nevada, one of the world’s most endowed and prolific gold trends. The Combined Company will pursue a program of strategic land acquisition, as well as exploration and development of its key projects.

The Combined Company, through Victory as the parent company, will operate the business of Nevada King, in addition to the business currently carried on by Victory. Victory’s existing

policies and procedures, including those related to executive compensation and corporate governance, may change as a result of the completion of the Arrangement. See *“Information Relating to the Combined Company”*.

See *“Information Relating to the Combined Company”* below. Additional information with respect to the expected business and affairs of the Combined Company is set forth in *“Appendix G – Information Relating to the Combined Company”* to this Circular.

Information Relating to Victory

Victory owns a 100% interest in the Iron Point Project, located 22 miles east of Winnemucca, Nevada. The project is located within a few miles of Interstate 80, has high voltage electric power lines running through the project area and a railroad line passing across the northern property boundary. Victory is well financed to advance the project through resource estimation and initial feasibility study work. Victory has a proven capital markets and mining team led by Executive Chairman Paul Matysek. Major shareholders include Palisades Goldcorp Ltd. (**“Palisades”**), and management, directors and founders. Approximately 13% of Victory's issued and outstanding shares are subject to an escrow release over the next year.

See *“Information Relating to Victory”* below. Additional information with respect to the business and affairs of Victory is set forth in *“Appendix H – Information Relating to Victory”* to this Circular.

Information Relating to Nevada King

Nevada King is the fourth largest mineral claim holder in the State of Nevada. Nevada King owns 100% of the Atlanta Project, located 100km southeast of Ely, Nevada, which is a historical gold-silver producer that currently hosts a NI 43-101 compliant mineral resource estimate constrained by a conceptual pit containing 11 million tonnes of measured and indicated resources grading 1.3g/t Au and containing 460,000 Au oz. Inferred mineral resources are 5.31 million tonnes grading 0.83 g/t Au containing 142,000 Au oz. Past open pit production is reported to have been 110,000 oz Au and 800,000 oz. Ag (1975 - 1985). Exploration activities are currently covered by a United States Bureau of Land Management-approved Plan of Operations. Existing infrastructure includes electricity to the mine, phone/internet communications, access via a graded county road, and abundant water supply. The resource area remains open for expansion through further drilling.

See *“Information Relating to Nevada King”* below. Additional information with respect to the business and affairs of Nevada King is set forth in *“Appendix I– Information Relating to Nevada King”* to this Circular.

Risk Factors

In evaluating the Arrangement, Victory Shareholders and Nevada King Shareholders should carefully consider the following risk factors relating to the Arrangement and the Combined Company. Some of these risks include, but are not limited to: (i) risks inherent in the mining and metals business; (ii) risks related to exploration and development stage companies; (iii) majority shareholder risks; (iv) government regulations; (v) public health crises including the COVID-19 pandemic; (vi) title risks; (vii) environmental risks; (viii) indigenous land claims; (ix) risks related to operations in remote areas; (x) significant capital requirements and operating risks associated with the Combined Company's expanded operations and its expanded portfolio of growth

projects; (xi) following the Arrangement the trading price of the Combined Company may be volatile; (xii) the integration of Victory and Nevada King; (xiii) the Combined Company may not realize the benefits of its growth projects; (xiv) the value of the Consideration Shares that Nevada King Shareholders receive under the Arrangement or of the Victory Shares that existing Victory Shareholders retain following completion of the Arrangement, may be less than the value of the Nevada King Shares or Victory Shares, as applicable, as of the date of the Arrangement or the dates of the shareholder meetings; (xv) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; and (xvi) Victory and Nevada King will incur costs even if the Arrangement is not completed and Nevada King or Victory may have to pay the Termination Fee or the expense reimbursement pursuant to the Arrangement Agreement. See “*Risk Factors*” for more information.

Summary of Certain Canadian Federal Income Tax Considerations

Generally, a Nevada King Shareholder that is resident in Canada for the purposes of the Tax Act will not recognize a capital gain or a capital loss in respect of the exchange of Nevada King Shares, pursuant to the Arrangement unless the Nevada King Shareholder chooses to recognize any portion of the capital gain or capital loss otherwise arising by taking the positive step of reporting the capital gain or capital loss in the Nevada King Shareholder's tax return under the Tax Act for the Nevada King Shareholder's or taxation year in which the exchange occurs.

A Nevada King Shareholder that is not resident in Canada for the purposes of the Tax Act will generally not be taxable in Canada with respect to any capital gains arising on the disposition of Nevada King Shares pursuant to the Arrangement provided that such Nevada King Shares do not constitute “taxable Canadian property” as defined in the Tax Act to such Nevada King Shareholder.

The foregoing summary is qualified in its entirety by the more detailed summary set forth in this Circular under the heading “*Certain Canadian Federal Income Tax Considerations*”. Nevada King Shareholders should consult their own tax advisors regarding the Canadian federal tax consequences of the Arrangement.

Summary of Certain United States Federal Income Tax Considerations

For a summary of certain material United States federal income tax considerations of the Arrangement, see the detailed summary set forth in this Circular under the heading “*Certain United States Federal Income Tax Considerations*”. **Such summary is not intended to be legal or tax advice to any particular Nevada King Shareholder. Nevada King Shareholders should consult their own tax advisors with respect to their particular circumstances.**

GENERAL INFORMATION CONCERNING THE VICTORY MEETING AND VOTING

Time, Date and Place

The Victory Meeting will be held at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8, on March 31, 2021 at 10:00 a.m. (Vancouver time).

Record Date

The record date for determining the Victory Shareholders entitled to receive notice of and to vote at the Victory Meeting is February 23, 2021. Only Victory Shareholders of record as of the close of business (Vancouver time) on the Record Date are entitled to receive notice of and to vote at the Victory Meeting.

Attending the Victory Meeting

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Victory Shareholders, Victory employees and other stakeholders, and based on government recommendations to avoid large gatherings, we strongly encourage Victory Shareholders to vote in advance of the Victory Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Victory Meeting in person.

Any person who wishes to attend the Victory Meeting in person must first register with the Victory Meeting's host at least 72 hours in advance and receive approval, by calling Michael Stewart at 604-631-1440 or by email at mmstewart@stikeman.com.

The ability of Victory Shareholders to attend the Victory Meeting in person is subject to any governmental orders applicable at the time of the Victory Meeting which might prevent or restrict Victory Shareholders from attending in person. Victory Shareholders who do wish to attend the Victory Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Victory Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Victory Meeting. Please do not attend the Victory Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Victory Meeting.

Victory is monitoring developments regarding COVID-19. In the event Victory decides any change to the date, time, location or format of the Victory Meeting are necessary or appropriate due to difficulties arising from COVID-19, Victory will promptly notify Victory Shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at www.sedar.com.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Victory for use at the Victory Meeting and any postponement or adjournment thereof for the purposes set forth in the accompanying Victory Notice of

Meeting. It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by directors, officers or employees of Victory to whom no additional compensation will be paid. All costs of solicitation by management will be borne by Victory.

Voting by Proxies

The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the Victory Notice of Meeting and any other matters that may properly come before the Victory Meeting or any postponement or adjournment thereof. As at the date of this Circular, Victory management is not aware of any such amendments or variations, or of other matters to be presented for action at the Victory Meeting. However, if any amendments to matters identified in the accompanying Victory Notice of Meeting or any other matters which are not now known to management should properly come before the Victory Meeting or any postponement or adjournment thereof, the Victory Shares represented by properly executed proxies given in favour of the person(s) designated by management of Victory in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

If the instructions in a proxy given to Victory's management are specified, the Victory Shares represented by such proxy will be voted **FOR** or **AGAINST** in accordance with your instructions on any poll that may be called for. If a choice is not specified, the Victory Shares represented by a proxy given to Victory's management will be voted **FOR** the approval of the Victory Arrangement Resolution as described in this Circular. **A Victory Shareholder has the right to appoint a person (who need not be an Victory Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Victory Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

Victory Shareholders are invited to attend the Victory Meeting. Registered Victory Shareholders who are unable to attend the Victory Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote over the internet (www.alliancetrust.ca/shareholders), in each case in accordance with the enclosed instructions. To be used at the Victory Meeting, the completed proxy form must be deposited at the office of Alliance Trust Company, at Suite 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by mail, fax (403-237-6181) or email (inquiries@alliancetrust.ca) or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-Registered Victory Shareholders who receive these materials through their Intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their Intermediary. To be effective, a proxy must be received by Alliance not later than 10:00 a.m. (Vancouver time) on March 31, 2021, or in the case of any postponement or adjournment of the Victory Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays), prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the Victory Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.**

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a Victory Shareholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the Victory Shareholder or his or her legal representative authorized in writing or, where the Victory Shareholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be received by Alliance at their offices located at Suite 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by mail, fax (403-237-6181) or email (inquiries@alliancetrust.ca) at any time up to and including the last business day preceding the day of the Victory Meeting, or in the case of any postponement or adjournment of the Victory Meeting, the last business day preceding the day of the postponed or adjourned Victory Meeting, or delivered to the Chair of the Victory Meeting on the day fixed for the Victory Meeting, and prior to the start of the Victory Meeting or any postponement or adjournment thereof. A Registered Victory Shareholder may also revoke a proxy in any other manner permitted by law. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must in sufficient time in advance of the Victory Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures.

Information for Beneficial Shareholders

Only Registered Victory Shareholders, or their duly appointed proxyholders are permitted to vote at the Victory Meetings.

Many Victory Shareholders are non-registered shareholders (**“Non-Registered Victory Shareholder”**) because their Victory Shares are registered either: (a) in the name of an intermediary (an **“Intermediary”**) that the Non-Registered Victory Shareholder deals with in respect of the Victory Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs, RDSPs, TFSAs and similar plans; or (b) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the issuers of securities which they own (called **“OBOs”** or **“Objecting Beneficial Owners”**) and those who do not object to the issuers of the securities they own knowing who they are (called **“NOBOs”** or **“Non-Objecting Beneficial Owners”**). Pursuant to National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (**“NI 54-101”**), reporting issuers (such as Victory) can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting Materials are being sent to both Registered Victory Shareholders and Non-Registered Victory Shareholders. In accordance with the requirements of NI 54-101, Victory has elected to send copies of the proxy-related materials, including a voting instruction form (**“VIF”**) (collectively, the **“Meeting Materials”**) directly to the Canadian NOBOs and indirectly through Intermediaries for onward distribution to the OBOs and NOBOs in the United States. Victory will also pay the fees and costs of Intermediaries for their services in delivering the Meeting Materials to OBOs in accordance with NI 54-101. Intermediaries must forward the Meeting Materials to each OBO or NOBO in the United States (unless such shareholder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions), to permit such shareholder to direct the voting of the Victory Shares held by the Intermediary on behalf of such shareholder. Generally, Non-Registered Victory

Shareholders who have not waived the right to receive meeting materials will be given a VIF which must be completed and signed by the Non-Registered Victory Shareholder in accordance with the directions on the VIF. Non-Registered Victory Shareholders should submit VIFs in sufficient time to ensure that their votes are received by Victory.

The purpose of these procedures is to permit Non-Registered Victory Shareholders to direct the voting of the Victory Shares they beneficially own. Should a Non-Registered Victory Shareholder who receives a VIF wish to attend and vote at the Victory Meetings in person (or have another person attend and vote on behalf of the Non-Registered Victory Shareholder), the Non-Registered Victory Shareholder should insert their own (or such other person's) name in the blank space provided in the VIF. Non-Registered Victory Shareholders should ensure they follow the corresponding instructions on the VIF, to appoint themselves as proxyholders, and submit the VIF in the appropriate manner noted above. Non-Registered Victory Shareholders should carefully follow the instructions on the VIF. Non-Registered Victory Shareholders should ensure that instructions respecting the voting of their Victory Shares are communicated to the appropriate persons, as required.

If you are a Non-Registered Victory Shareholder and Victory or Victory's agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Victory Shares on your behalf. By choosing to send these materials to you directly Victory (and not the Intermediary holding Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Quorum

A quorum at meetings of Victory Shareholders consists of two persons who are, or represent by proxy, Victory Shareholders holding, in the aggregate, at least five percent (5%) of the issued Victory Shares.

Principal Holders of Victory Shares

The authorized share capital of Victory consists of an unlimited number of Victory Shares. As at the Record Date, 99,134,068 Victory Shares, Victory Options to acquire 6,460,000 Victory Shares and 32,806,902 Victory Subscription Receipts convertible into 32,806,902 Victory Shares were issued and outstanding. Each Victory Share is entitled to one vote at a meeting of Victory Shareholders.

The Victory Board has fixed the close of business on February 23, 2021 as the Record Date for the purpose of determining the Victory Shareholders entitled to receive notice of the Victory Meeting, but the failure of any Victory Shareholder who was a Victory Shareholder on the Record Date to receive notice of the Victory Meeting does not deprive the Victory Shareholder of the right to vote at the Victory Meeting.

To the knowledge of the directors and executive officers of Victory, as of the Record Date, certain persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of Victory. For information regarding such persons, see "*Appendix H – Information Relating to Victory – Principal Shareholders*".

GENERAL INFORMATION CONCERNING THE NEVADA KING MEETING AND VOTING

Time, Date and Place

The Nevada King Meeting will be held at 2600 – 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, on March 31, 2021 at 10:00 a.m. (Vancouver time).

Record Date

The record date for determining the Nevada King Shareholders entitled to receive notice of and to vote at the Nevada King Meeting is February 23, 2021 (the “**Record Date**”). Only Nevada King Shareholders of record as of the close of business (Vancouver time) on the Record Date are entitled to receive notice of and to vote at the Nevada King Meeting.

Attending the Nevada King Meeting

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Nevada King Shareholders, Nevada King employees and other stakeholders, and based on government recommendations to avoid large gatherings, we strongly encourage Nevada King Shareholders to vote in advance of the Nevada King Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Nevada King Meeting in person.

Any person who wishes to attend the Nevada King Meeting in person must first register with the Nevada King Meeting’s host at least 72 hours in advance and receive approval, by calling Paul Heller at 604-631-3341 or by email at paul.heller@blakes.com.

The ability of Nevada King Shareholders to attend the Nevada King Meeting in person is subject to any governmental orders applicable at the time of the Nevada King Meeting which might prevent or restrict Nevada King Shareholders from attending in person. Nevada King Shareholders who do wish to attend the Nevada King Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Nevada King Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Nevada King Meeting. Please do not attend the Nevada King Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Nevada King Meeting.

Nevada King is monitoring developments regarding COVID-19. In the event Nevada King decides any change to the date, time, location or format of the Nevada King Meeting are necessary or appropriate due to difficulties arising from COVID-19, Nevada King will promptly notify Nevada King Shareholders of the change by issuing a news release, a copy of which will be available on Nevada King’s website at <https://nevadaking.ca/>.

Approvals Required

To be effective, the Nevada King Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Nevada King Arrangement Resolution by Nevada King Shareholders, present in person or represented by

proxy and entitled to vote at the Nevada King Meeting.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Nevada King for use at the Nevada King Meeting and any postponement or adjournment thereof for the purposes set forth in the accompanying Nevada King Notice of Meeting. It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by directors, officers or employees of Nevada King to whom no additional compensation will be paid. All costs of solicitation by management will be borne by Nevada King.

Voting by Proxies

The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the Nevada King Notice of Meeting and any other matters that may properly come before the Nevada King Meeting or any postponement or adjournment thereof. As at the date of this Circular, Nevada King management is not aware of any such amendments or variations, or of other matters to be presented for action at the Nevada King Meeting. However, if any amendments to matters identified in the accompanying Nevada King Notice of Meeting or any other matters which are not now known to management should properly come before the Nevada King Meeting or any postponement or adjournment thereof, the Nevada King Shares represented by properly executed proxies given in favour of the person(s) designated by management of Nevada King in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

If the instructions in a proxy given to Nevada King's management are specified, the Nevada King Shares represented by such proxy will be voted **FOR** or **AGAINST** in accordance with your instructions on any poll that may be called for. If a choice is not specified, the Nevada King Shares represented by a proxy given to Nevada King's management will be voted **FOR** the approval of the Nevada King Arrangement Resolution as described in this Circular. **A Nevada King Shareholder has the right to appoint a person (who need not be a Nevada King Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Nevada King Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

Nevada King Shareholders are invited to attend the Nevada King Meeting. Registered Nevada King Shareholders who are unable to attend the Nevada King Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy. Non- Registered Nevada King Shareholders who receive these materials through their Intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their Intermediary. To be effective, the enclosed proxy must be completed, dated, signed and received by Nevada King c/o Blake, Cassels & Graydon LLP, 595 Burrard Street, Suite 2600, Vancouver BC V7X 1L3, attention: Paul Heller, or via email at paul.heller@blakes.com, no later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of British Columbia) prior to the time fixed for the Nevada King Meeting or any adjournment(s) thereof.

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a Nevada King Shareholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the Nevada King Shareholder or his or her legal representative authorized in writing or, where the Nevada King Shareholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be completed, dated, signed and received by Nevada King c/o Blake, Cassels & Graydon LLP, 595 Burrard Street, Suite 2600, Vancouver BC V7X 1L3, attention: Paul Heller, or via email at paul.heller@blakes.com, no later than at any time up to and including the last business day preceding the day of the Nevada King Meeting, or in the case of any postponement or adjournment of the Nevada King Meeting, the last business day preceding the day of the postponed or adjourned Nevada King Meeting, or delivered to the Chair of the Nevada King Meeting on the day fixed for the Nevada King Meeting, and prior to the start of the Nevada King Meeting or any postponement or adjournment thereof. A Nevada King Shareholder may also revoke a proxy in any other manner permitted by law.

Quorum

A quorum at meetings of Nevada King Shareholders consists of not less than two person present or represented by proxy or duly authorized representative representing not less than 5% of the issued and outstanding Nevada King Shares.

Principal Holders of Nevada King Shares

The authorized share capital of Nevada King consists of an unlimited number of Nevada King Shares. As at the Record Date, 57,591,018 Nevada King Shares were issued and outstanding. Each Nevada King Share is entitled to one vote at a meeting of Nevada King Shareholders.

The Nevada King Board has fixed the close of business on February 23, 2021 as the Record Date for the purpose of determining the Nevada King Shareholders entitled to receive notice of the Nevada King Meeting, but the failure of any Nevada King Shareholder who was a Nevada King Shareholder on the Record Date to receive notice of the Nevada King Meeting does not deprive the Nevada King Shareholder of the right to vote at the Nevada King Meeting.

To the knowledge of the directors and executive officers of Nevada King, as of the Record Date, certain persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of Nevada King. For information regarding such persons, see *"Appendix I – Information Relating to Nevada King – Principal Securityholder"*.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE VICTORY MEETING

Management of Victory knows of no other matters to come before the Victory Meeting other than those referred to in Victory's notice of meeting. However, if any other matters that are not known to management should properly come before the Victory Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

Financial Statements

The audited financial statements of Victory for the financial year ended March 31, 2020, together with the auditor's report thereon (the "**Financial Statements**"), will be presented to Victory Shareholders at the Victory Meeting.

Copies of these documents will be available at the Victory Meeting and may also be obtained by a shareholder upon request without charge from Victory, PO Box 48264, Bentall Centre, Vancouver, British Columbia, V7X 1A1. These documents are also available online under Victory's profile at www.sedar.com (SEDAR – System for Electronic Document Analysis and Retrieval).

Management will review Victory's financial results at the Victory Meeting and Victory Shareholders and proxyholders will be given an opportunity to discuss these results with management.

No approval or other action needs to be taken at the Victory Meeting in respect of these documents.

Election of Directors

Advance Notice Provisions

In 2013 Victory amended its Articles to incorporate advance notice provisions as approved by Shareholders at the annual and special meeting held December 11, 2013 (the "**Advance Notice Provisions**"). The Advance Notice Provisions require advance notice to Victory in circumstances where nominations of persons for election to the Victory Board are made by Victory Shareholders other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCBCA or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

The purpose of the Advance Notice Provisions is to foster a variety of interests of Victory Shareholders and Victory by ensuring all Victory Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can, thereby, exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fixes a deadline by which Victory Shareholders must submit director nominations to Victory prior to any annual or special meeting of Victory Shareholders and sets forth the minimum information that a shareholder must include in the notice to Victory for the notice to be in proper written form. The Advance Notice Provisions are available for viewing in the Articles of Victory posted under Victory's profile at www.sedar.com.

As of the date of this Circular, Victory has not received notice of a nomination in compliance with the Advance Notice Provisions and, as such, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Victory Meeting.

Nominees for Election

The Victory Board currently consists of four directors, namely Paul Matysek, Collin Kettell, Craig Roberts, and Douglas Forster, each of which is, subject to the Conditional Election, proposed as a nominee for election as director of Victory to hold office until the next annual meeting of Victory Shareholders or until their successor is duly elected or appointed. If there are more nominees for the election of directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until such vacancies are filled. Each of the nominees has agreed to stand for election and management of Victory does not contemplate that any of the nominees will be unable to serve as a director.

Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Paul Matysek⁽²⁾ BC, Canada <i>Founder and Executive Chairman</i>	Director, Forsys Metals Corp., since 2007; Chairman and Director, Nano One Materials Corp., since 2012; CEO and Director (Executive Chairman) (March -June 2020), Gold X Mining Corp., since March 2020; Chairman and Director, First Cobalt Corp., 2017 – 2019; Director, Executive Chairman, Lithium X Energy Corp., 2015 – 2018; Director, Arena Minerals Inc., 2013 – 2017; Director, Nevada Copper Corp., 2008 – 2017; President, CEO and Director, Goldrock Mines Corp., 2012 – 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	2,045,473 Victory Shares ⁽³⁾ 2,600,000 Victory Options
Collin Kettell Puerto Rico, USA Director and CEO	CEO, Victory, since January 2019; Executive Chairman, Palisades Goldcorp Ltd., since August 2019; Founder, Executive Chairman (since March 2020) and former CEO (2016 - 2020), New Found Gold Corp.; Director, Golden Planet Mining Corp., since January 2021; previously, CEO, Palisade Global Investments Ltd.	January 2019	12,494,024 Victory Shares ⁽⁴⁾ 1,455,000 Victory Options 53,700 Victory Subscription Receipts ⁽⁴⁾
Craig Roberts⁽²⁾ BC, Canada Director	CEO and Director, New Found Gold Corp., since March 2020 and December 2019, respectively; CEO and Director, Ethos Gold Corp., since 2018; Director, K2 Gold Corporation, since 2016; Director, Global Battery Metals Ltd., since 2016. All of the	January 2019	1,775,000 Victory Shares 525,000 Victory Options

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
	foregoing companies are mineral exploration and development companies.		
Douglas Forster ⁽²⁾ BC, Canada <i>Director</i>	President and CEO, Quarry Capital Corp., since 1994; Director, Calibre Mining Corp., since 2003; President and CEO, Featherstone Capital Inc., since 2005; Director, Newcore Gold Ltd., since 2010; Director, Edgewater Exploration Ltd., since 2011; President and CEO, Newmarket Gold Inc., from 2013 to 2016. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	February 2019	1,850,000 Victory Shares ⁽⁵⁾ 775,000 Victory Options 100,000 Victory Subscription Receipts

Notes:

- (1) Victory Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 23, 2021, based upon information furnished to Victory by the individual directors and executive officers.
- (2) Member of the Audit Committee.
- (3) Paul Matysek indirectly holds 2,045,473 Victory Shares through Bedrock Capital Corporation, a private company controlled by Paul Matysek.
- (4) Collin Kettell indirectly holds approximately 12,494,024 Victory Shares and 53,700 Victory Subscription Receipts through his control position (shareholdings) in Palisades Goldcorp Ltd., which holds an aggregate of 46,532,681 Victory Shares and 200,000 Victory Subscription Receipts.
- (5) Douglas Forster holds 700,000 Victory Shares indirectly through Quarry Capital Corp., a private company controlled by Douglas Forster.

Management recommends Victory Shareholders vote in favour of the election of each of the nominees listed above for election as directors of Victory for the ensuing year.

Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the nominees.

Cease Trade Orders

No proposed director of Victory is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Victory) that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive

officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

Bankruptcies

No proposed director of Victory is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Victory) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of Victory has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

Penalties and Sanctions

No proposed director of Victory has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

Appointment of Auditor

At the Victory Meeting, Victory Shareholders will be asked to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of Victory to hold office until the next annual meeting of Victory Shareholders, or until a successor is appointed, and to authorize the directors of Victory to fix the auditor's remuneration. If there are more nominees for the appointment of Victory's auditor than there are vacancies to fill, the nominee receiving the greatest number of votes will be appointed.

Management recommends Shareholders vote in favour of the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of Victory for the ensuing year and authorize the Victory Board to fix the auditor's remuneration.

Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as Victory's auditor until the close of its next annual meeting and to authorize the Victory Board to fix the remuneration to be paid to the auditor.

Re-approval of Victory Stock Option Plan

At the last annual general meeting, the Victory Shareholders approved the Victory Stock Option Plan. Under the policies of the TSXV, a rolling stock option plan must be re-approved on a yearly basis by shareholders. Accordingly, Shareholders will be asked to pass an Ordinary Resolution ratifying and re-approving the Victory Stock Option Plan. The details of the Victory Stock Option Plan are set forth below.

The Victory Stock Option Plan is consistent with the requirements of the TSXV and provides as follows:

- the Victory Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Victory Shares equal to 10% of the issued Victory Shares at the time of any stock option grant;
- if a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Victory Shares in respect of which the stock option expired or terminated shall again be available for the purposes of the Victory Stock Option Plan;
- persons eligible to be granted stock options under the Victory Stock Option Plan are directors, officers, and bona fide employees and consultants of Victory;
- the aggregate number of stock options granted to any one person (and companies wholly owned by that person) in any 12-month period must not exceed 5% of the issued Victory Shares at the time of the grant, unless Victory has obtained the requisite disinterested Victory Shareholder approval;
- the aggregate number of stock options granted to any one consultant in any 12-month period must not exceed 2% of the issued Victory Shares at the time of the grant;
- the aggregate number of stock options granted to all persons conducting investor relations activities in any 12-month period must not exceed 2% of the issued Victory Shares at the time of the grant;
- options fully vest on date of grant or as determined by the Victory Board except for stock options issued to persons conducting investor relations activities which must vest in stages over a minimum period of 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period;
- the exercise price per Share for a stock option may not be less than the Discounted Market Price (as such term is defined in the policies of the TSXV), subject to a minimum exercise price of \$0.05;

- stock options shall have a term not exceeding 10 years from the date of grant, subject to a provision allowing for the automatic extension to the expiry date of a stock option if such expiry date falls within a Blackout Period during which Victory prohibits option holders from exercising stock options, provided that the (i) Blackout Period must be formally imposed by Victory pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, (ii) Blackout Period must expire upon the general disclosure of the undisclosed material information, (iii) expiry date of the affected stock options can be extended to no later than ten (10) business days after the expiry of the Blackout Period, and (iv) automatic extension of an option holder's stock options will not be permitted where the option holder or Victory is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Victory's securities;
- if an option holder is terminated for cause, each stock option held by such person shall terminate upon such termination for cause;
- if an option holder dies while holding stock options, each stock option held by such person shall terminate no later than the earlier of the expiry date of the stock options and the date which is six months after the date of death, provided that the Victory Board may extend the date of such termination to a date not exceeding the expiry date and the date which is 12 months after the date of death;
- if an option holder ceases to be an eligible person, other than by termination for cause or death, each stock option held by such person shall terminate no later than the earlier of the expiry date and the date which is 30 days after such event, provide that the Victory Board may extend the date of such termination to a date not exceeding the earlier of the expiry date and the date which is 12 months after such event;
- upon the occurrence of an Accelerated Vesting Event (as defined in the Victory Stock Option Plan), the Victory Board will have the power, except pertaining to stock options granted to persons conducting investor relations activities which will be subject to prior written TSXV approval, to make such changes to the terms of stock options, including but not limited to (i) accelerating the vesting of stock options, conditionally or unconditionally, (ii) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, stock options in replacement of the stock options are proposed to be granted to or exchanged with the option holders, (iii) otherwise modifying the terms of any stock option to assist the option holders to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event, or (iv) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event;
- in connection with the exercise of a stock option, as a condition to such exercise Victory shall require the optionee to pay, as applicable, to Victory an amount as necessary so as to ensure that Victory is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such stock option;

- disinterested shareholder approval is required for any reduction in the exercise price of a stock option if the option holder is an insider of Victory at the time of the proposed amendment;
- stock options are non-assignable and non-transferable; and
- the Victory Stock Option Plan contains provisions for adjustment in the number of Shares issuable on exercise of stock options in the event of a Victory Share consolidation, subdivision, conversion, exchange, reclassification or any substitution.

The above summary is subject to the full text of the Victory Stock Option Plan, which will be available at the Victory Meeting for review by Victory Shareholders.

The Victory Stock Option Plan, and any material amendments thereto, must be approved by a majority of the votes cast by Victory Shareholders at the Victory Meeting and, subsequently, by the TSXV. If the Victory Stock Option Plan is approved, a total of 10% (9,913,407 as of the date of this Circular) of the issued and outstanding Victory Shares will be reserved for issuance pursuant to the exercise of stock options.

At the Victory Meeting, Victory Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution re-approving the Victory Stock Option Plan. The text of the resolution is as follows:

“BE IT RESOLVED, as an ordinary resolution, that the Victory Stock Option Plan approved by the Victory Shareholders on October 10, 2019 be and is hereby ratified, confirmed and re-approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSXV, as the directors of Victory may deem necessary or advisable.”

The re-approval of the Victory Stock Option Plan must be approved by a simple majority of the votes cast by Victory Shareholders present in person or represented by proxy at the Victory Meeting.

Management of Victory has reviewed the proposed resolution, concluded that it is fair and reasonable to the Victory Shareholders and in the best interests of Victory, and recommends Victory Shareholders vote in favour of the re-approval of the Victory Stock Option Plan.

Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the re-approval of the Victory Stock Option Plan.

The Arrangement

At the Victory Meeting, the Victory Shareholders will be asked to approve the Victory Arrangement Resolution, the full text of which is set forth in Appendix A to this Circular. In order for the Arrangement to become effective, the Victory Arrangement Resolution must be approved by at least a simple majority of the votes cast by Victory Shareholders present in person or represented by proxy at the Victory Meeting and a simple majority of the votes cast by Victory Shareholders present in person or represented by proxy at the Victory Meeting excluding votes

cast by Victory Shareholders who are required to be excluded in accordance with section 8.1 of MI 61-101. See “*Securities Law Considerations – MI 61-101*” below.

If the Victory Arrangement Resolution is approved by the requisite number of votes cast by Victory Shareholders at the Victory Meeting and the other conditions precedent to the Arrangement are satisfied or waived, the Effective Date of the Arrangement is expected to be on or about April 5, 2021.

The Victory Board may determine not to proceed with the Arrangement at any time before or after the holding of the Victory Meeting but prior to the issuance of a certificate of arrangement, without further action on the part of Victory Shareholders.

Management of Victory has reviewed the Victory Arrangement Resolution, concluded that it is fair and reasonable to the Victory Shareholders and in the best interests of Victory, and recommends Victory Shareholders vote in favour of the Victory Arrangement Resolution.

Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the Victory Arrangement Resolution.

The terms of the Arrangement, including the recommendations of the Victory Board, are described in detail below. See “*The Arrangement*” below.

Conditional Election of Directors

It is a condition to the completion of the Arrangement and a covenant in favour of Nevada King that Victory shall ensure that, at the Effective Time, the Victory Board shall consist of Paul Matysek, Collin Kettell, Craig Roberts, Douglas Forster, and Quinton Hennigh (the “**Conditional Nominees**”). Susan Lavertu has notified Victory and Nevada King that she has decided not to join the Combined Company as a director or officer and will instead focus on other projects. As such, Nevada King has provided Victory with an irrevocable waiver of the condition to the completion of the Arrangement that, at the Effective Time, Ms. Lavertu be appointed to the Victory Board. If Victory does not or cannot satisfy this condition, Nevada King is entitled to terminate the Arrangement Agreement and the Arrangement may not be completed.

If the Victory Arrangement Resolution is approved, at the Victory Meeting, Victory Shareholders will be asked to elect, conditional upon and effective as of the Effective Date of the Arrangement, the Conditional Nominees as directors of Victory in place of all directors of Victory at such time, to hold office until the next annual meeting of Victory Shareholders or until their successor is duly elected or appointed (the “**Conditional Election**”).

Number of Directors

At present, Victory currently has four directors. Therefore, if the Victory Arrangement Resolution is approved, Victory Shareholders will be asked to pass an ordinary resolution to set the number of directors of Victory at five for the ensuing year, conditional upon and effective as of the Effective Date of the Arrangement. The number of directors of Victory must be approved by a simple majority of the votes cast by Victory Shareholders present in person or represented by proxy at the Victory Meeting.

Management of Victory recommends Victory Shareholders vote in favour of the resolution setting the number of directors at five. Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the resolution setting the number of directors at five.

Election of Directors

If the Victory Arrangement Resolution is approved, at the Victory Meeting, Victory Shareholders will be asked to approve the Conditional Election. As of the date of this Circular, Victory has not received notice of a nomination in compliance with the Advance Notice Provisions and, as such, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Victory Meeting.

If there are more nominees for the election of directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until such vacancies are filled. Each of the nominees has agreed to stand for election and management of Victory does not contemplate that any of the nominees will be unable to serve as a director.

Information concerning the Conditional Nominees, as furnished by the individual nominees, is as follows:

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Paul Matysek⁽²⁾ BC, Canada <i>Founder and Executive Chairman</i>	Director, Forsys Metals Corp., since 2007; Chairman and Director, Nano One Materials Corp., since 2012; CEO and Director (Executive Chairman (March -June 2020), Gold X Mining Corp., since March 2020; Chairman and Director, First Cobalt Corp., 2017 – 2019; Director, Executive Chairman, Lithium X Energy Corp., 2015 – 2018; Director, Arena Minerals Inc., 2013 – 2017; Director, Nevada Copper Corp., 2008 – 2017; President, CEO and Director, Goldrock Mines Corp., 2012 – 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	2,045,473 Victory Shares ⁽³⁾ 2,600,000 Victory Options
Collin Kettell Puerto Rico, USA <i>Director and CEO</i>	CEO, Victory, since January 2019; Executive Chairman, Palisades Goldcorp Ltd., since August 2019; Founder, Executive Chairman (since March 2020) and former CEO (2016 - 2020), New Found Gold Corp.; Director, Golden Planet Mining Corp., since January 2021; previously, CEO, Palisade Global Investments Ltd.	January 2019	12,494,024 Victory Shares ⁽⁴⁾ 1,455,000 Victory Options 53,700 Victory Subscription Receipts ⁽⁴⁾

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Craig Roberts ⁽²⁾ BC, Canada <i>Director</i>	CEO and Director, New Found Gold Corp., since March 2020 and December 2019, respectively; CEO and Director, Ethos Gold Corp., since 2018; Director, K2 Gold Corporation, since 2016; Director, Global Battery Metals Ltd., since 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	1,775,000 Victory Shares 525,000 Victory Options
Douglas Forster ⁽²⁾ BC, Canada <i>Director</i>	President and CEO, Quarry Capital Corp., since 1994; Director, Calibre Mining Corp., since 2003; President and CEO, Featherstone Capital Inc., since 2005; Director, Newcore Gold Ltd., since 2010; Director, Edgewater Exploration Ltd., since 2011; President and CEO, Newmarket Gold Inc., from 2013 to 2016. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	February 2019	1,850,000 Victory Shares ⁽⁵⁾ 775,000 Victory Options 100,000 Victory Subscription Receipts
Quinton Hennigh Colorado, USA <i>Advisor of Nevada King</i>	President and Chairman of Novo Resources Corp, since 2009, director of New Found Gold Corp, since 2020; Director of Irving Resources Inc. since 2015; Director of Kuya Silver Corporation (formally Miramont Resources Corp.) since 2017; Director of Precipitate Gold Corp since 2010; Director of Condor Resources Inc. since 2020; Director of Tristar Gold Inc. since 2015. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	N/A	Nil

Notes:

- (1) Victory Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 23, 2021, based upon information furnished to Victory by the individual directors and executive officers.
- (2) Member of the Audit Committee.
- (3) Paul Matysek indirectly holds 2,045,473 Victory Shares through Bedrock Capital Corporation, a private company controlled by Paul Matysek.
- (4) Collin Kettell indirectly holds approximately 12,494,024 Victory Shares and 53,700 Victory Subscription Receipts through his control position (shareholdings) in Palisades Goldcorp Ltd., which holds an aggregate of 46,532,681 Victory Shares and 200,000 Victory Subscription Receipts.
- (5) Douglas Forster holds 700,000 Victory Shares indirectly through Quarry Capital Corp., a private company controlled by Douglas Forster.

Management recommends Victory Shareholders vote in favour of the election of each of the Conditional Nominees listed above for election as directors of Victory for the ensuing year.

Unless you provide instructions otherwise, the Victory management proxy nominee intends to vote FOR the Conditional Nominees.

Cease Trade Orders

No Conditional Nominee is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Victory) that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

Bankruptcies

No proposed Conditional Nominee is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Victory) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed Conditional Nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

Penalties and Sanctions

No proposed Conditional Nominee has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

All such representations are made upon the reliance of information provided by such individuals and Victory has not conducted any independent searches to verify such information.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE NEVADA KING MEETING

Management of Nevada King knows of no other matters to come before the Nevada King Meeting other than those referred to in Nevada King's notice of meeting. However, if any other matters that are not known to management should properly come before the Nevada King Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

The Arrangement

At the Nevada King Meeting, the Nevada King Shareholders will be asked to approve the Nevada King Arrangement Resolution, the full text of which is set forth in "*Appendix B – Nevada King Arrangement Resolution*" to this Circular. In order for the Arrangement to become effective, the Nevada King Arrangement Resolution must be approved by at least two thirds of the votes cast by Nevada King Shareholders present in person or represented by proxy at the Nevada King Meeting.

If the Nevada King Arrangement Resolution is approved by the requisite number of votes cast by Nevada King Shareholders at the Nevada King Meeting and the other conditions precedent to the Arrangement are satisfied or waived, the Effective Date of the Arrangement is expected to be on or about April 5, 2021.

The Nevada King Board may determine not to proceed with the Arrangement at any time before or after the holding of the Nevada King Meeting but prior to the issuance of a certificate of arrangement, without further action on the part of Nevada King Shareholders.

Management of Nevada King has reviewed the Nevada King Arrangement Resolution, concluded that it is fair and reasonable to the Nevada King Shareholders and in the best interests of Nevada King, and recommends Nevada King Shareholders vote in favour of the Nevada King Arrangement Resolution.

Unless you provide instructions otherwise, the Nevada King management proxy nominee intends to vote FOR the Nevada King Arrangement Resolution.

The terms of the Arrangement, including the recommendations of the Nevada King Board, are described in detail below. See "*The Arrangement*" below.

THE ARRANGEMENT

The purpose of the Arrangement is to effect the combination of the businesses of Victory and Nevada King. The Arrangement will result in the acquisition by Victory of all of the issued and outstanding Nevada King Shares for the Consideration Shares. Victory will issue such number of Consideration Shares to Nevada King Shareholders, that will result in the Former Nevada King Shareholders owning, in aggregate, 50% of the issued and outstanding Victory Shares immediately after the closing of the Arrangement on a non-diluted basis (not including the Victory Shares to be issued upon conversion of the Victory Subscription Receipts). As a result of the Arrangement, Nevada King will become a wholly-owned subsidiary of Victory.

As at the date hereof, there are 99,134,068 Victory Shares issued and outstanding. Nevada King Shareholders will hold 50% of the post-Arrangement entity, the Combined Company, on an undiluted basis. If the Arrangement were completed as of the date hereof, Nevada King Shareholders would receive an aggregate of 99,134,068 Consideration Shares representing an exchange ratio of approximately 1.7213 Consideration Shares for each Nevada King Share held. The Arrangement will be implemented by way of a court- approved Plan of Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement, the Interim Order and the Final Order.

Background to the Arrangement

Nevada King's and Victory's management and technical teams regularly consider and investigate opportunities to enhance value for their respective shareholders, including monitoring the activities and assets of various industry participants in order to identify possible strategic transactions. The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of Victory and Nevada King and their respective advisors. The following is a summary of the meetings, negotiations, discussions and actions between the Parties that preceded the execution and public announcement of the Arrangement Agreement.

In August 2020, Nevada King began to consider the potential synergies that might be recognized from a potential transaction with Victory. Since both companies carry on mineral exploration businesses in the western United States, and have a number of common shareholders, Nevada King assessed that there might be an opportunity to create additional value for shareholders. In anticipation of presenting the potential for a transaction to Victory, representatives of Nevada King began to prepare presentation documentation and a form of binding letter agreement (the "**Letter Agreement**").

On September 3, 2020 certain members of management and directors of Victory and Nevada King met informally and, among other topics, discussed the merits of a possible transaction between the two companies. It was decided that further discussion was warranted and the parties agreed to meet to discuss a potential transaction in more detail including the terms of the draft Letter Agreement provided by Nevada King.

In response to the discussion described above, the Victory Board appointed the Victory Special Committee consisting of two independent directors, Paul Matysek, Executive Chairman and Douglas Forster, with a mandate to assess and examine the proposed business combination with Nevada King, or an alternative to a transaction with Nevada King. Similarly, the Victory Special Committee was granted to authority to engage and retain professional advisors,

including a financial advisor to review the proposed transaction and render an independent fairness opinion to the Victory Special Committee and the Victory Board.

During the period of September 2020 to November 2020 management of the Parties deliberated individually and internally at each company, considered strategic alternatives, reviewed options available and financing requirements and plans, in order to assess the merits of a potential transaction.

In early November 2020, the Parties began to conduct detailed legal, financial and technical due diligence on each other's businesses and the members of the Victory Special Committee and Nevada King Board began to negotiate the terms of the Letter Agreement in earnest and prepare relevant documentation for due diligence. Through the course of these discussions, the management teams of Nevada King and Victory advanced discussions on the synergies of a potential merger transaction, with alignment on business models, depth of technical teams, financial resources and geographic expertise on the Battle Mountain Trend.

On November 6, 2020, Fort Capital Partners was engaged by Victory to provide an opinion as to the fairness, from a financial point of view, of the proposed transaction to the Victory Shareholders.

On November 9, 11 and 13, 2020, the Victory Special Committee met virtually to discuss developments in the negotiation of the Letter Agreement and due diligence process. During this period, the Victory Special Committee was provided extensive materials summarizing the results of the legal, financial and technical due diligence conducted to date together with information on the current structure and proposed terms for the overall transaction.

On November 16, 2020, the Victory Special Committee met virtually. Following consideration of a number of factors and relying on legal, financial and other advisors and discussions with management, a review of the terms of the Letter Agreement, and review of the oral Fairness Opinion provided by Fort Capital Partners, the Victory Special Committee unanimously recommended the Arrangement to the Victory Board.

Following the completion of the Victory Special Committee meeting, the Victory Board met and the Chair of the Victory Special Committee presented the recommendations of the Victory Special Committee to the Victory Board. Following discussion, and after consultation with its legal and financial advisors, and after Collin Kettell and Craig Roberts announced their conflicts of interest and abstained from voting, the Victory Board unanimously resolved that:

- The Arrangement and the Letter Agreement are in the best interests of the Victory and, in particular, are fair to the Victory Shareholders.
- The Arrangement and the transactions contemplated thereby, including the Private Placement, are approved.
- The Letter Agreement, substantially in the form presented to this meeting, is approved and Victory is authorized to enter into, deliver and perform all of its obligations under the Letter Agreement.
- The Victory Board recommends that the Victory Shareholders vote in favour of the Victory Arrangement Resolution, the name change and any proposed share consolidation.

The Letter Agreement was finalized and executed later that day. A joint press release announcing the Arrangement was issued by Victory on November 20, 2020, following the approval of the TSXV for such press release.

Between November 16, 2020, and December 14, 2020, the Parties, with the help of legal counsel, prepared and finalized a draft arrangement agreement and plan of arrangement, which were prepared in accordance with the terms of the Letter Agreement. On December 15, 2020, Victory and Nevada King executed the definitive Arrangement Agreement, which included the Plan of Arrangement, in accordance with the provisions of the Letter Agreement. The next day, the Parties issued a joint press release announcing the execution of the Arrangement Agreement.

The determinations of the boards of Victory and Nevada King are based on various factors described more fully under the heading “*The Arrangement – Reasons for the Recommendation of the Victory Board, the Victory Special Committee and the Nevada King Board*”.

Reasons for the Recommendation of the Victory Board, the Victory Special Committee and the Nevada King Board

In making their respective recommendations, the Victory Board, the Victory Special Committee and the Nevada King Board consulted with management, legal, financial and technical advisors. Each also reviewed a significant amount of financial and technical information relating to Victory and Nevada King and considered a number of factors, including those listed below. The following disclosure includes forward-looking information and readers are cautioned that actual results may vary.

In making their respective determinations and recommendations, the Victory Board, the Victory Special Committee and the Nevada King Board considered and relied upon a number of substantive factors, including, among others:

- **Highly Experienced Team:** The Combined Company will have an established board and management with financial, technical, and operations experience to advance the combined assets. Each of Victory and Nevada King will appoint nominees to the Combined Company’s Board as of the Effective Time of closing of the Arrangement:
 - Paul Matysek will be the Executive Chairman and Collin Kettell will be the Chief Executive Officer of the Combined Company. In addition, the intended retention of Victory and Nevada King’s technical team will encourage continued exploration of Nevada King and Victory’s existing mineral exploration projects.
 - The Board of Directors will consist of Paul Matysek, Collin Kettell, Douglas Forster, Craig Roberts and Quinton Hennigh.
- **Significant Cash Position and Simplified Balance Sheet:** The Combined Company is expected to be well-capitalized following completion of the Private Placement.
- **Diversified Asset Portfolio:** The asset portfolio is expected to be anchored by the Atlanta Project and the Iron Point Project, both 100% owned development

stage assets, in addition to the growing number of active claims currently held by Nevada King, all focused exclusively on the prolific Battle Mountain Trend.

- **Business and Industry Risks:** The current business operations, assets, financial performance and condition, operating results and prospects of Nevada King and Victory, including the long-term expectations regarding their operating performance. The current industry and economic conditions and trends and the relevant risks and uncertainties.
- **Participation in the Combined Entity:** Nevada King Shareholders and Victory Shareholders should have the opportunity to participate in a combined company that should have increased market capitalization and that is anticipated to receive greater market attention than Nevada King and Victory currently receive on a combined basis, which should also result in greater liquidity.
- **Increased Financial Capacity:** The transaction is subject to the completion of an equity raise of \$8 million. Victory has already completed a non-brokered financing of Victory Subscription Receipts for aggregate gross proceeds of \$18 million. The equity raise will facilitate the unlocking of value in the Combined Company's asset portfolio.
- **Reduced Risk:** The strengthened treasury and asset portfolio of the Combined Company reduces the risk associated with the current business, operations, assets, financial performance and condition, operating results, prospects, and uncertainties faced by Victory and Nevada King individually, including long-term expectations regarding operating performance, current industry and economic conditions and trends and uncertainties related to those long-term expectations.
- **Fairness Opinions:** The Victory Board and Victory Special Committee received a Fairness Opinions from Fort Capital to the effect that, as of November 16, 2020, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the Consideration Shares to be issued by Victory pursuant to the Arrangement is fair, from a financial point of view, to the Victory Shareholders. See "*The Arrangement – Victory Fairness Opinion*".
- **Support of Directors, Officers and Significant Shareholders:** Certain of the directors, officers and largest shareholders of each of Victory and Nevada King have entered into Lock-Up Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Shares in favour of the Arrangement. Further, the Combined Company will be supported by a strong shareholder base characterized by significant insider and institutional ownership.
- **Ability to Respond to Unsolicited Offers.** Subject to the terms of the Arrangement Agreement, the Nevada King Board and the Victory Board both remain able to respond to any unsolicited bona fide written proposal that, having regard for all of the terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Nevada King or Victory Shareholders as the case may be from a financial point of view than the Arrangement.

The Victory Board, the Victory Special Committee and the Nevada King Board also considered a number of potential issues regarding and risks resulting from the Arrangement including:

- The risks to the Parties if the Arrangement is not completed, including the costs to each company in resources and management attention in pursuing the Arrangement and the restrictions on the conduct of business prior to the completion of the Arrangement, including the ability to raise new funding.
- The Arrangement Agreement's restrictions on soliciting third parties to make an Acquisition Proposal prior to completion of the Arrangement and the specific requirements regarding what constitutes a Superior Proposal.
- The Termination Fee of \$1,500,000 payable to the other Party in certain circumstances, including if one Party enters into an agreement with a third party that constitutes a Superior Proposal.
- The conditions to the completion of the Arrangement, including that holders of no more than 5% of the issued and outstanding Nevada King Shares shall have exercised Dissent Rights.
- The rights of either Party to terminate the Arrangement Agreement under certain limited circumstances.
- The potential risk of not obtaining certain consents from third parties required to complete the Arrangement, including from the Court, Nevada King Shareholders, Victory Shareholders, or any other third party whose consent is required.
- The potential negative effect on either Party's relationship with its stakeholders, including customers, suppliers, and employees.

The foregoing summary of the information and factors considered by the Victory Board, the Victory Special Committee and the Nevada King Board is not intended to be exhaustive, but includes the material information and factors considered in their respective consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the Victory Board, the Victory Special Committee and the Nevada King Board in their evaluation of the Arrangement, they did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. The recommendations of the Victory Board, the Nevada King Board were made after consideration of all the above-noted and other factors and in light of their respective knowledge of the business, financial condition and prospects of Victory and Nevada King and were based upon the advice of the financial, technical and legal advisors to each. In addition, individual members of the Victory Board, the Victory Special Committee and the Nevada King Board may have assigned different weights to different factors in reaching their own conclusion as to the fairness of the Arrangement.

Recommendation of the Nevada King Board

After careful consideration, including consultation with its legal advisors, the Nevada King Board unanimously determined that the Arrangement is in the best interests of Nevada King. Accordingly, the Nevada King Board has unanimously approved the Arrangement and

unanimously recommends that the Nevada King Shareholders vote **FOR** the Nevada King Arrangement Resolution.

Collin Kettell, CEO and director of Victory and Executive Chairman of Nevada King abstained from voting at the Nevada King Board meeting in respect of the Arrangement and related matters.

Recommendation of the Victory Special Committee

After careful consideration, including consultation with its legal and independent financial advisors, the Victory Special Committee unanimously determined the Arrangement is in the best interests of Victory and resolved to recommend that the Victory Board approve the Arrangement Agreement and that the Victory Board recommend to the Victory Shareholders that they vote their Victory Shares **FOR** the Victory Arrangement Resolution.

Recommendation of the Victory Board

After careful consideration, including a thorough review of the Arrangement Agreement, the Fairness Opinion, as well as a thorough review of other matters, including those discussed in this Circular, and on the unanimous recommendation of the Victory Special Committee, the Victory Board unanimously determined that the merger to be effected by way of the Plan of Arrangement is in the best interests of Victory. Accordingly, the Victory Board has unanimously approved the Arrangement and unanimously recommends that the Victory Shareholders vote **FOR** the Victory Arrangement Resolution. Collin Kettell, CEO and director of Victory and Executive Chairman of Nevada King, and Craig Roberts, director of Victory and an advisor to Nevada King who was to be nominated for election as a director of Nevada King at the next annual meeting of shareholders of Nevada King abstained from voting at the Victory Board meeting in respect of the Arrangement and related matters.

All members of the Victory Board that hold Victory Shares will vote their Victory Shares, in their capacity as Victory Shareholders, in favor of the Victory Arrangement Resolution.

Victory Fairness Opinion

Fort Capital was retained by Victory to provide an opinion as to the fairness, from a financial point of view, of the consideration to be paid by Victory pursuant to the Arrangement.

On November 16, 2020, Fort Capital delivered to the Victory Board its opinion, that, as of such date and based upon and subject to the assumptions, limitations and qualifications set forth in the Victory Fairness Opinion, the consideration to be issued by Victory to Nevada King Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Victory Shareholders.

The Victory Fairness Opinion was provided to the Victory Special Committee and Victory Board for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose. Fort Capital has not prepared a formal valuation or appraisal of Victory, Nevada King, or any of their securities or assets, and the Victory Fairness Opinion should not be construed as such.

The terms of the engagement letter between Fort Capital and Victory provides that Fort Capital will receive a fee for rendering the Victory Fairness Opinion; such fee is not contingent, in whole

or in part, on the successful completion of the Arrangement. Fort Capital is also to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, Victory has agreed to indemnify Fort Capital, in certain circumstances, against certain liabilities that might arise out of its engagement.

The Victory Fairness Opinion is given as of its date and Fort Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Victory Fairness Opinion which may come or be brought to the attention of Fort Capital after the date of its opinion. Without limiting the foregoing, if Fort Capital learns that any of the information it relied on in preparing the Victory Fairness Opinion was inaccurate, incomplete or misleading in any material respect, Fort Capital reserves the right to change or withdraw the Victory Fairness Opinion.

The full text of the Victory Fairness Opinion which states among other things, the assumptions made, information reviewed and matters considered by Fort Capital in rendering the Victory Fairness Opinion, as well as the limitations and qualifications that the Victory Fairness Opinion is subject to, is attached as Appendix D and forms part of this Circular. Victory Shareholders are urged to read the full text of the Victory Fairness Opinion in its entirety. The summary of the Victory Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of such opinion. The Victory Fairness Opinion does not constitute a recommendation to any Victory Shareholder as to how such shareholder should vote in respect of the matters to be considered at either of the Victory Meeting or the Nevada King Meeting.

Description of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix C to this Circular.

The purpose of the Arrangement is to effect the combination of the businesses of Nevada King and Victory through the acquisition of all of the issued and outstanding Nevada King Shares by Victory. Pursuant to the Arrangement Agreement, Victory and Nevada King have agreed to complete the Arrangement pursuant to which, among other things, Victory will acquire all the issued and outstanding Nevada King Shares. On completion of the Arrangement, Nevada King Shareholders and Victory Shareholders will hold 50% of the Combined Company (not including the Consideration Shares to be issued upon conversion of the Victory Subscription Receipts).

As at the date hereof, there are 99,134,068 Victory Shares issued and outstanding. If the Arrangement were completed as of the date hereof, Nevada King Shareholders would receive an aggregate of 99,134,068 Consideration Shares representing an exchange ratio of approximately 1.7213 Consideration Shares for each Nevada King Share held.

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 12:01 a.m. (Vancouver time) on the Effective Date, or such later date as may be agreed to in writing by Nevada King and Victory). At the Effective Time, the following will be deemed to occur in the following order at five minute intervals following the completion of the previous event without any further authorization, act or formality:

- each Nevada King Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Nevada King and

Nevada King shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 of the Plan of Arrangement, and: (i) the name of such holder shall be removed from the central securities register as a holder of Nevada King Shares and such Nevada King Shares shall be cancelled and cease to be outstanding; and (ii) such Dissenting Shareholders will cease to have any rights as Nevada King Shareholders other than the right to be paid the fair value for their Nevada King Shares:

- each Nevada King Share (other than a Nevada King Share held by a Dissenting Shareholder or a Nevada King Share held by Victory or any subsidiary of Victory) shall be deemed to be transferred to Victory and, in exchange for and in consideration therefor, Victory shall issue the Consideration Shares for each Nevada King Share, subject to Section 3.3 and Article 5 of the Arrangement Agreement, and upon such exchange:
 - each such holder of Nevada King Shares shall cease to be the holder thereof and to have any rights as a Nevada King Shareholder other than the right to be paid the Consideration Shares for their Nevada King Shares in accordance with the Plan of Arrangement;
 - each such exchanged Nevada King Share shall be cancelled, and the holders of such exchanged Nevada King Shares shall be removed from Nevada King's register of holders of Nevada King Shares;
 - Victory shall be deemed to be the transferee of such Nevada King Shares free and clear of all Liens, and shall be entered in the register of the Nevada King Shares maintained by or on behalf of Nevada King; and
 - each holder of such exchanged Nevada King Shares shall be entered in Victory's central securities register in respect of the Consideration Shares which such holder is entitled to receive in accordance with Section 3.2(b) of the Plan of Arrangement.

Subject to the provisions of Article 5 of the Plan of Arrangement, and upon return of a properly completed Transmittal Letter by a registered Former Nevada King Shareholder together with certificates representing Nevada King Shares and such other documents as the Depositary may require, Former Nevada King Shareholders shall be entitled to receive delivery of certificates or direct registration ("**DRS**") advice statements representing the Consideration Shares to which they are entitled pursuant to Section 3.1 of the Plan of Arrangement.

No fractional Consideration Shares shall be issued to Former Nevada King Shareholders. The number of Victory Shares to be issued to Former Nevada King Shareholders shall be rounded down to the nearest whole Consideration Share in the event that a Former Nevada King Shareholder is entitled to a fractional share representing less than a whole Consideration Share and all Consideration Shares issued pursuant to the Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the BCBCA.

Private Placement

Victory has completed the Private Placement for gross proceeds of \$18,043,796 to finance the operations of the Combined Company. The Private Placement was conducted on a post-Arrangement basis through the issuance of Victory Subscription Receipts. On December 23, 2020, Victory closed the first tranche of the Private Placement and issued 27,569,702 Victory Subscription Receipts at the Subscription Price of \$0.55 per Victory Subscription Receipt for gross proceeds of \$15.2 million. On January 15, 2021 Victory closed the second tranche of the private placement and issued 5,237,200 Victory Subscription Receipts at the Subscription Price for gross proceeds of \$2.9 million.

The Victory Subscription Receipts were issued pursuant to the Subscription Receipt Agreement entered into between Victory and Alliance, the Victory Subscription Receipt agent. Each Victory Subscription Receipt will entitle the subscriber to automatically receive upon closing of the Arrangement, without any further action on the part of the holder and without payment of additional consideration, one post-Arrangement Victory Share. The proceeds of the Private Placement will be used to advance Victory's development and exploration stage assets and for other general corporate purposes. The Victory Shares issued pursuant to the Private Placement will be issued in conjunction with but after the closing of the Arrangement and will therefore not be included in the calculation of the Exchange Ratio.

The completion of the Arrangement, and the automatic conversion of the Victory Subscription Receipts thereafter, remains subject to customary closing conditions including approval of the TSXV, Victory and Nevada King Shareholders, and the Court. The proceeds of the Private Placement will be held in escrow pending the completion of the Arrangement. If the Arrangement is not completed before April 16, 2021, the Victory Subscription Receipts will be deemed to be cancelled and the holders of Victory Subscription Receipts will receive a cash amount equal to the aggregate Subscription Price of their Victory Subscription Receipts and any interest that was earned on the Subscription Price.

Procedure for the Arrangement to Become Effective

The Arrangement is proposed to be carried out pursuant to section 288 of the BCBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Nevada King Shareholder Approval and the Victory Shareholder Approval must be obtained;
- the Court must grant the Final Order approving the Arrangement;
- all conditions precedent to the Arrangement further described in the Arrangement Agreement including receipt of necessary regulatory approvals and the completion of the Private Placement in connection with the consummation of the must be satisfied or waived by the appropriate Party;
- if applicable, the Final Order and related documents, in the form prescribed by the BCBCA, must be filed with the Director;
- in connection with the completion of the Arrangement, Victory will change its name to "Nevada King Gold Corp." or such other name as the Parties agree to; and

- conditional upon completion of the Arrangement, at the Effective Time, the two Conditional Nominees not currently on the Victory Board will be appointed as directors of the Combined Company, each to hold office for the ensuing year.

Victory Shareholder Approval

At the Victory Meeting, the Victory Shareholders will be asked to approve the Victory Arrangement Resolution, the full text of which is set forth in Appendix A to this Circular. In order for the Arrangement to become effective, the Victory Arrangement Resolution must be approved by at least a simple majority of the votes cast by Victory Shareholders at the Victory Meeting and a simple majority of the votes cast by Victory Shareholders excluding votes cast by Victory Shareholders who are required to be excluded in accordance with section 8.1 of MI 61-101. See “*Securities Law Considerations – MI 61-101*” below.

It is the intention of the persons named in the Victory instrument of proxy enclosed with the Meeting Materials, if not expressly directed to the contrary in such instrument of proxy, to vote such proxy in favour of the Victory Arrangement Resolution.

Should the Victory Shareholders fail to approve the Victory Arrangement Resolution by the requisite majorities, the Arrangement will not be completed.

Nevada King Shareholder Approval

At the Nevada King Meeting, the Nevada King Shareholders will be asked to approve the Nevada King Arrangement Resolution, the full text of which is set forth in Appendix B to this Circular. In order for the Nevada King Arrangement Resolution to become effective, as provided in the Interim Order, the Nevada King Arrangement Resolution must be approved by at least two-thirds of the votes cast by the Nevada King Shareholders at the Nevada King Meeting.

It is the intention of the persons named in the Nevada King instrument of proxy enclosed with the Meeting Materials, if not expressly directed to the contrary in such instrument of proxy, to vote such proxy in favour of the Nevada King Arrangement Resolution.

Should the Nevada King Shareholders fail to approve the Nevada King Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

Lock-Up Agreements

On December 14, 2020, the Nevada King Locked-Up Shareholders entered into the Victory Lock-Up Agreement with Victory and the Victory Locked-Up Shareholders entered into the Nevada King Lock-Up Agreements with Nevada King. The Lock-Up Agreements set forth, among other things, the agreement of such shareholders to vote their Nevada King Shares and their Victory Shares in favour of the Arrangement or the issuance of the Victory Shares pursuant to the Arrangement, as applicable. As of the Record Date, 29,405,397 of the outstanding Nevada King Shares, and 52,808,154 of the outstanding Victory Shares were subject to the Lock-Up Agreements, representing approximately 51% of the outstanding Nevada King Shares and approximately 53.3% of the outstanding Victory Shares.

The Lock-Up Agreements require voting support, prohibit solicitation of an alternative Acquisition Proposal, and impose a contractual hold period on Nevada King Shares or Victory

Shares held by the Locked-up Shareholders expiring upon completion of the Arrangement, or upon earlier termination of the Lock-Up Agreements.

Each Locked-up Shareholder has agreed to vote his or her owned (directly or indirectly) Nevada King Shares or Victory Shares, as applicable, to the extent he or she is so entitled, in favour of the Arrangement or the issuance of the Victory Shares pursuant to the Arrangement and against any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement. Under the terms of the Lock-Up Agreements, the Parties have acknowledged that any Locked-up Shareholder who is also a director or officer of the Party in respect of which they own securities is bound under the Lock-Up Agreements only in such person's capacity as a securityholder, and not in his or her capacity as a director or officer.

The Lock-Up Agreements automatically terminate on the first to occur of the following, provided that each Party shall provide notice in writing to the other Party: (i) the Effective Time; or (ii) the date, if any, that the Arrangement Agreement is terminated in accordance with its terms. The Lock-Up Agreements can also be terminated by the mutual consent in writing of the Parties or by a Party if any of the representations or warranties of the other Party under the Lock-Up Agreement becoming untrue or incorrect in any material respect, the other Party does not comply with any of its covenants or obligations under the Lock-Up Agreement or if the other Party varies the terms of the Arrangement Agreement in a materially adverse manner.

Nevada King has confirmed to Victory that, except than Palisades, neither Nevada King nor any of its affiliates held any Victory Shares (or securities convertible into Victory Shares) as at the Record Date.

Victory has confirmed to Nevada King that, except for Palisades, neither Victory nor any of its affiliates held any Nevada King Shares (or securities convertible into Nevada King Shares) as at the Record Date.

Court Approval and Completion of the Arrangement

The BCBCA requires that the Court approve the Arrangement.

On February 24, 2021, Nevada King obtained the Interim Order providing for the calling and holding of the Nevada King Meeting and other procedural matters. Copies of the Interim Order and the Notice of Hearing of Petition are attached as Appendices E and F, respectively, to this Circular.

If the Nevada King Arrangement Resolution is approved at the Nevada King Meeting and subject to the Victory Shareholder Approval, Nevada King intends to make an application to the Court for the Final Order. The Interim Order provides for an application for a Final Order approving the Arrangement on April 2, 2021 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel for Nevada King may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at some other date, time and location as the Court may direct. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Under the terms of the Interim Order, each Nevada King Shareholder who wish to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court, the Interim Order and any further order of the Court. Any Nevada King Securityholder or other person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving Nevada King, as applicable, at the addresses set out below, on or before 4:00 p.m. (Vancouver time) on March 31, 2021 a response to petition (a “**Response**”), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. Nevada King Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements. The Response and supporting materials must be delivered, within the time specified, to Nevada King at the following address:

Blake, Cassels & Graydon LLP
Suite 2600, 595 Burrard Street
Vancouver, British Columbia V7X 1L3
Attention: Alexandra Luchenko

Subject to the Court ordering otherwise, only those persons who file a Response in compliance with the Interim Order will be provided with notice of the materials to be filed with the Court and the opportunity to make submissions in support or opposition of the Final Order. If the hearing is postponed, adjourned or rescheduled, then subject to further order of the Court only those persons having previously served a Response in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement as proposed or as amended in any manner the Court may direct. The Court’s approval is required for the Arrangement to become effective.

The Final Order, if granted, will constitute the basis for the Section 3(a)(10) Exemption with respect to the Consideration Shares to be issued to Nevada King Shareholders in exchange for their Nevada King Shares pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court has been or will be informed of this effect of the Final Order.

Nevada King Shareholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

Regulatory Matters

In addition to the Victory Shareholder Approval, Nevada King Shareholder Approval, Interim Order and Final Order described above, certain regulatory approvals will also be required in order to consummate the Arrangement, as further described below.

The Victory Shares currently trade on the TSXV under the symbol “VMX”. Victory has applied to the TSXV to list the Victory Shares issuable under the Arrangement and the Private Placement. It is a condition of closing that Victory will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV subject to notice of issuance. At this time, Victory has received conditional approval from the TSXV for the Arrangement.

In connection with the completion of the Arrangement, Victory intends to change its name to “Nevada King Gold Corp.” and expects to trade on the TSXV under the ticker symbol “NKG”.

Victory Shareholders and Nevada King Shareholders should be aware that the final approval of the Arrangement has not been given by the TSXV. Neither Victory nor Nevada King can provide any assurance that such approvals will be obtained.

Letters of Transmittal

For each Registered Nevada King Shareholder, accompanying this Circular is a Letter of Transmittal. In order for a Registered Nevada King Shareholder to receive the Consideration Shares for each Nevada King Share held by such Registered Nevada King Shareholder, such Registered Nevada King Shareholder must deposit the certificate(s) representing his, her or its Nevada King Shares with the Depositary. The Letter of Transmittal, properly completed and duly executed, together with all other documents and instruments referred to in the Letter of Transmittal or reasonably requested by the Depositary, must accompany all certificates for Nevada King Shares deposited for payment pursuant to the Arrangement.

Please note that Nevada King holds some certificates representing Nevada King Shares in its minute books. Such certificates representing Nevada King Shares will be delivered by Nevada King to the Depositary and need not be delivered by the Nevada King Shareholder.

Registered Nevada King Shareholders can request additional copies of the Letter of Transmittal by contacting the Depositary.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully.

Nevada King and Victory reserve the right to waive or not to waive any and all errors or other deficiencies in any Letter of Transmittal or other document and any such waiver or non-waiver will be binding on the affected Nevada King Shareholder. The granting of a waiver to one or more Nevada King Shareholders does not constitute a waiver for any other Nevada King Shareholder. Nevada King and Victory reserve the right to demand strict compliance with the terms of the Letter of Transmittal and the Arrangement. The method used to deliver a Letter of Transmittal and any accompanying certificates and other relevant documents, if any, is at the option and risk of the relevant Nevada King Shareholder. Delivery will be deemed effective only when such documents are actually received by the Depositary at the address set out in the Letter of Transmittal. Nevada King recommends that the necessary documentation be hand delivered to the Depositary and a receipt obtained; otherwise, the use of registered mail with return receipt requested, properly insured, is recommended.

The Letter of Transmittal is for use by Registered Nevada King Shareholders only and is not to be used by Non-Registered Nevada King Shareholders. Non-Registered Nevada King Shareholders should contact their Intermediary for instructions and assistance in receiving the Consideration Shares for their Nevada King Shares. See “*The Arrangement – Exchange Procedure*” below. Non-Registered Nevada King Shareholders must instruct their brokers or other Intermediaries promptly in order to receive the Consideration Shares to which they are entitled under the Arrangement as soon as possible after the Effective Date.

If you have any questions relating to the Arrangement or the deposit of Nevada King Shares, please contact the Depositary by telephone at 403-237-6111 or toll free (within North America) at 1-877-537-6111.

Exchange Procedure

Registered Nevada King Shareholders are requested to tender to the Depositary any share certificate(s) representing their Nevada King Shares, along with a duly completed Letter of Transmittal. Nevada King holds some certificates representing Nevada King Shares in its minute books. Such certificates representing Nevada King Shares will be delivered by Nevada King to the Depositary and need not be delivered by the Nevada King Shareholder.

The Letter of Transmittal is for use by Registered Nevada King Shareholders only and is not to be used by Non-Registered Nevada King Shareholders. Non-Registered Nevada King Shareholders should contact their broker or other Intermediary for instructions and assistance in receiving the Consideration Shares in respect of their Nevada King Shares.

Prior to the Effective Date, Victory will deposit, or cause to be deposited, with the Depositary a treasury direction directing the Depositary to deliver sufficient certificate representing the Consideration Shares required to be issued to the Nevada King Shareholders under the Arrangement (other than payments to Dissenting Nevada King Shareholders) to be held by the Depositary as agent and nominee for such Nevada King Shareholders.

As soon as practicable after the Effective Date, provided a Former Nevada King Shareholder submitted to the Depositary, prior to the Effective Date, an effective Letter of Transmittal, together with the certificate(s) representing the Nevada King Shares held by such Former Nevada King Shareholder and such other documents as the Depositary may require, Victory shall cause the Depositary to:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to the holder at the address specified in the Letter of Transmittal; or
- (b) if requested by the holder in the Letter of Transmittal, deliver by email to the holder at the email address specified in the Letter of Transmittal; or
- (c) if the Letter of Transmittal neither specifies an address as described in (i) above nor contains a request as described in (ii) above, forward or cause to be forwarded by mail (postage prepaid) to the holder at the address of such holder as shown on the share register maintained by Nevada King as at the Effective Time,

a DRS statement(s) representing the Consideration Shares issued to such Former Nevada King Shareholder pursuant to the Arrangement, subject to any withholding obligation under applicable Law, and any certificate representing Nevada King Shares so surrendered will be cancelled forthwith, all as determined in accordance with the provisions of the Plan of Arrangement.

A Registered Nevada King Shareholder must deliver to the Depositary at the address listed in the Letter of Transmittal:

- the certificate representing the shareholder's Nevada King Shares (unless such certificate is currently held in the minute books of Nevada King);
- the Letter of Transmittal, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- any other relevant documents required by the instructions set out in the Letter of Transmittal.

Except as otherwise provided in the instructions set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution (as defined in the Letter of Transmittal). If a Letter of Transmittal is executed by a person other than the registered holder of the share certificate deposited therewith or if the consideration issuable is to be delivered to a person other than the registered holder, the share certificate must be endorsed or be accompanied by an appropriate power of attorney duly and properly completed by the registered holder, signed exactly as the name of the registered holder appears on such share certificate, with the signature on the share certificate or power of attorney guaranteed by an Eligible Institution.

No fractional Consideration Shares will be issued and the number of Consideration Shares to be issued to each Former Nevada King Shareholder will each be rounded down to the nearest whole number of Consideration Shares.

Cancellation of Rights after Six Years

If any former Registered Nevada King Shareholder fails to deliver to the Depositary on or before the sixth anniversary of the Effective Date the Letter of Transmittal, the certificates representing the Nevada King Shares held by such Nevada King Shareholder and any other certificates, documents or instruments required to be delivered to Depositary in order for such Nevada King Shareholder to receive the Consideration Shares which such former holder is entitled to receive, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Victory or its successor any Consideration Shares held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Nevada King Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Victory and will be cancelled. None of Victory nor Nevada King will be liable to any person in respect of any Consideration Shares (including any Consideration Shares previously held by the Depositary in trust for any such former holder) which is forfeited to Victory or Nevada King or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law. ACCORDINGLY, FORMER NEVADA KING SHAREHOLDERS WHO DEPOSITS WITH THE DEPOSITARY A COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND CERTIFICATES (IF APPLICABLE) REPRESENTING THEIR NEVADA KING SHARES AFTER THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE WILL NOT RECEIVE THE CONSIDERATION SHARES IN EXCHANGE THEREFOR AND WILL NOT OWN ANY INTEREST IN NEVADA KING OR VICTORY, AND WILL NOT BE PAID ANY CONSIDERATION SHARES OR OTHER COMPENSATION.

Treatment of Fractional Shares

In no event shall any holder of Nevada King Shares be entitled to a fractional Consideration Share. Where the aggregate number of Consideration Shares to be issued to a Former Nevada King Shareholder as consideration under the Arrangement would result in a fraction of a Consideration Share being issuable, the number of Consideration Shares to be received by such Nevada King Shareholder shall be rounded down to the nearest whole Consideration Share without any payment or compensation in lieu of such fractional Consideration Share.

Lost Certificates

If any certificate which immediately prior to the Effective Time represented one or more outstanding Nevada King Shares shall have been lost, stolen or destroyed, on the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Consideration Shares (and any dividends or distributions with respect thereto) deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates or book-entry advice statements representing Consideration Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Victory and its transfer agent and Depositary in such sum as Victory may direct or otherwise indemnify Victory, its transfer agent and the Depositary in a manner satisfactory to Victory, its transfer agent and the Depositary against any claim that may be made against Victory, its transfer agent and/or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

Victory, Nevada King and the Depositary, as applicable, shall be entitled to deduct and withhold, from any amounts payable or otherwise deliverable to any person under this Plan of Arrangement and from all dividends or other distributions otherwise payable to any Former Nevada King Shareholders, such amounts as Victory, Nevada King or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to such person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

Dissent Rights

The following is a summary of Dissent Rights. Such summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Nevada King Shares. This summary is qualified in its entirety by reference to the full text of Sections 237 to 247 of the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court, including the Final Order.

Registered Nevada King Shareholders have Dissent Rights with respect to the Arrangement. Registered Nevada King Shareholders who wish to exercise their Dissent Rights must: (i) deliver a written notice of dissent to the Arrangement Resolution to Nevada King, by mail c/o Blake, Cassels & Graydon LLP, 2600 – 595 Burrard Street, Vancouver, British Columbia,

Canada, V7X 1L3, Attention: Alexandra Luchenko, or by email to alexandra.luchenko@blakes.com by 5:00 p.m. (Vancouver time) on March 29, 2021, or two Business Days prior to any adjourned or postponed Nevada King Meeting; (ii) not have vote any Dissent Shares in favour of the Nevada King Arrangement Resolution; and (iii) otherwise have complied with Sections 237 to 247 of the BCBCA, as modified and supplemented by the Interim Order the Plan of Arrangement and any other order of the Court, including the Final Order.

A Non-Registered Nevada King Shareholder who wishes that Dissent Rights be exercised in respect of its Nevada King Shares should immediately contact the nominee (bank, trust company, securities brokers or other nominee) with whom the Non-Registered Nevada King Shareholder deals.

A Registered Nevada King Shareholder's failure to strictly comply with the procedures set forth in Sections 237 to 247 of the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court, will result in the loss of such Registered Nevada King Shareholder's Dissent Rights.

Under the Interim Order, Nevada King Shareholders are entitled to Dissent Rights but only if they follow the procedures specified in the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order. See "*Rights of Dissenting Nevada King Shareholders*".

Victory Shareholders are also not entitled to Dissent Rights in respect of the Arrangement.

Intention of Nevada King Directors, Nevada King Officers and Nevada King Major Shareholders

Certain Nevada King Shareholders, who beneficially owned or exercised control or direction over in the aggregate 29,405,397 Nevada King Shares, representing 51% of the outstanding Nevada King Shares, as of the date of the Arrangement Agreement, have entered into Nevada King Lock-Up Agreements with Victory pursuant to which they have agreed, subject to the terms and conditions thereof, to vote their Nevada King Shares in favour of the Nevada King Arrangement Resolution.

Intention of Victory Directors, Victory Officers and Victory Major Shareholders

Certain Victory Shareholders, who beneficially owned or exercised control or direction over in the aggregate 52,808,154 Victory Shares, representing 53.3% of the outstanding Victory Shares on a fully-diluted basis, as of the date of the Arrangement Agreement, have entered into Victory Lock-Up Agreements with Nevada King pursuant to which they have agreed, subject to the terms and conditions thereof, to vote their Victory Shares in favour of the Victory Arrangement Resolution.

Depository

Nevada King and Victory have retained the services of the Depository for the receipt of the Letter of Transmittal and the certificates (if applicable) representing Nevada King Shares and for the delivery of the Victory Shares in exchange for the Nevada King Shares under the Arrangement. The Depository will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under Securities Laws and expenses in connection therewith.

Expenses of the Arrangement

Nevada King and Victory have agreed in the Arrangement Agreement that each party will pay all fees, costs and expenses incurred by such party with respect to the Arrangement. The estimated costs to be incurred by each of Nevada King and Victory with respect to the Arrangement and related matters including, legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, costs relating to this Circular and the Meetings contemplated herein, are expected to aggregate approximately \$150,000 for Nevada King and \$350,000 for Victory, before expenses relating to the Private Placement.

THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and Plan of Arrangement. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by Nevada King and Victory on their respective SEDAR profiles at www.sedar.com and to the Plan of Arrangement, which is appended hereto as Appendix C. Capitalized terms used in this section that are not found in the Glossary of Defined Terms will have the meaning given to them in the Arrangement Agreement and the Plan of Arrangement.

On December 14, 2020, Nevada King and Victory entered into the Arrangement Agreement, pursuant to which Nevada King and Victory agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, Victory will acquire all of the issued and outstanding Nevada King Shares. Upon completion of the Arrangement, Nevada King Shareholders will receive, in exchange for each Nevada King Share, that number of Victory Shares that will result in the Former Nevada King Shareholders owning, in aggregate, 50% of the issued and outstanding Victory Shares immediately after the closing of the Arrangement on a non-diluted basis (not including the Victory Shares to be issued upon conversion of the Victory Subscription Receipts). As a result of the Arrangement, Nevada King will become a wholly-owned subsidiary of Victory. As at the date hereof, there are 99,134,068 Victory Shares issued and outstanding. Nevada King Shareholders will hold 50% of the post-Arrangement entity, the Combined Company, on an undiluted basis. If the Arrangement were completed as of the date hereof, Nevada King Shareholders would receive an aggregate of 99,134,068 Consideration Shares representing an exchange ratio of approximately 1.7213 Consideration Shares for each Nevada King Share held.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by each Party to the other Party. Those representations and warranties were made solely for the purposes of the Arrangement Agreement and are subject to important qualifications and limitations agreed to by the Parties in connection with negotiating its terms. In particular, some of the representations and warranties are subject to a contractual standard of materiality or Material Adverse Effect different from that generally applicable to public disclosure, or are used for the purpose of allocating risk between the Parties to the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by Nevada King in favour of Victory relate to, among other things, Nevada King Board approval, organization and qualification, authority relative to the Arrangement Agreement, absence of certain violations, capitalization, Nevada King Option Treatment, reporting status and Securities Laws, ownership of subsidiaries, financial statements, off-balance sheet arrangements, books and records, undisclosed liabilities, material changes, litigation, Taxes, property, contracts, permits, environmental matters, regulatory matters, employee benefits, labour and employment, related party transactions, registration rights, restrictions on business activities, brokers, insurance, United States Securities Laws, and arrangements with shareholders.

The representations and warranties provided by Victory in favour of Nevada King relate to, among other things, Victory Board approval, organization and qualification, authority relative to

the Arrangement Agreement, absence of certain violations, capitalization, reporting status and Securities Laws, ownership of subsidiaries, Victory public filings, financial statements, internal controls and financial reporting, books and records, undisclosed liabilities, material changes, litigation, Taxes, property, contracts, permits, environmental matters, regulatory matters, employee benefits, issuance of consideration shares, labour and employment, related party transactions, registration rights, restrictions on business activities, brokers, insurance, United States Securities Laws, arrangements with shareholders and Investment Canada Act.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

Mutual Conditions

The obligations of the Parties to complete the Arrangement are subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent, each of which may only be waived in whole or in part with the mutual consent of the Parties:

- the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, in form and substance satisfactory to each of Nevada King and Victory, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Nevada King or Victory, acting reasonably, on appeal or otherwise;
- the Nevada King Shareholder Approval shall have been obtained at the Nevada King Meeting in accordance with the Interim Order;
- the Victory Shareholder Approval shall have been obtained at the Victory Meeting;
- there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at law or under applicable legislation, against Victory or Nevada King which prevents the consummation of the Arrangement;
- the Key Regulatory Approvals and Key Third Party Consents shall have been obtained;
- the Arrangement Agreement shall not have been terminated in accordance with its terms;
- the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 – *Resale of Securities*); and

- the distribution of the Consideration Shares pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof.

Additional Conditions in Favour of Victory

The obligations of Victory to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of Victory and may be waived by Victory):

- all covenants of Nevada King under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Victory shall have been duly performed by Nevada King in all material respects, and Victory shall have received a certificate of Nevada King addressed to Victory and dated the Effective Time, signed by two executive officers on behalf of Nevada King (on Nevada King's behalf and without personal liability), confirming the same as at the Effective Date;
- all representations and warranties of Nevada King set forth in the Arrangement Agreement that are qualified by the expression "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by Nevada King in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and Victory shall have received a certificate of Nevada King addressed to Victory and dated the Effective Time, signed on behalf of Nevada King by two executive officers of Nevada King (on Nevada King's behalf and without personal liability), confirming the same as at the Effective Date;
- since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Nevada King;
- the actions required to be taken by Nevada King pursuant to its covenants shall have been taken and in effect; and
- holders of no more than 5% of the Nevada King Shares shall have exercised Dissent Rights.

Additional Conditions in Favour of Nevada King

The obligations of Nevada King to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of Nevada King and may be waived by Nevada King):

- all covenants of Victory under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Nevada King shall have been duly performed by Victory in all material respects, and Nevada King shall have received a certificate of Victory, addressed to Nevada King and dated the Effective Time, signed on behalf of Victory by two executive officers of Victory (on Victory's behalf and without personal liability), confirming the same as at the Effective Date;
- all representations and warranties of Victory set forth in the Arrangement Agreement that are qualified by the expression "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by Victory in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and Nevada King shall have received a certificate of Victory, addressed to Nevada King and dated the Effective Time, signed on behalf of Victory by two executive officers of Victory (on Victory's behalf and without personal liability), confirming the same as at the Effective Date;
- since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Victory;
- Victory shall have delivered evidence satisfactory to Nevada King of the approval of the listing and posting for trading on the TSXV, subject only to satisfaction of the standard listing conditions, of the Consideration Shares at the Effective Time;
- the Private Placement shall have been completed prior to or will be completed in connection with the consummation of the Arrangement;
- the actions required to be taken by Victory pursuant to Section 5.4(c) of the Arrangement Agreement with effect as and from the Effective Time shall have been taken; and
- Victory shall have complied with its obligations under Section 2.10 of the Arrangement Agreement and the Depositary shall have confirmed receipt of the Consideration Shares contemplated thereby.

Covenants

Covenants of Nevada King

Nevada King has made certain covenants to Victory, including that:

- (a) Nevada King shall, and shall cause each of its material subsidiaries to, conduct its business in the ordinary course of business consistent with past practices, except as required to comply with Laws, directives, guidelines or recommendations by any Government Entity in connection with or in response to the COVID-19 pandemic and use commercially reasonable efforts to preserve intact its present business;
- (b) Nevada King shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Nevada King or any of its material subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to insurance and indemnification provisions of the Arrangement Agreement, none of Nevada King or any of its material subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months other than customary run off directors' and officers' liability insurance for a period of up to six years from the Effective Date;
- (c) Nevada King shall, and shall cause each of its material subsidiaries to, perform all obligations required or desirable to be performed by Nevada King or any of its material subsidiaries under the Arrangement Agreement, co-operate with Victory in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement and, without limiting the generality of the foregoing, Nevada King shall and, where applicable, shall cause its material subsidiaries to:
 - (i) use its commercially reasonable efforts to obtain as soon as practicable following execution of the Arrangement Agreement all third-party consents, approvals and notices required under, and shall obtain all amendments reasonably requested by Victory in respect of, any Material Contracts;
 - (ii) defend all lawsuits or other legal, regulatory or other proceedings against Nevada King challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement;
 - (iii) until the earlier of the Effective Time and termination of the Arrangement Agreement, Nevada King shall, subject to applicable Law, make available and cause to be made available to Victory, and the agents and advisors

thereto, information reasonably requested by Victory for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Victory and Nevada King following the Effective Date and confirming the representations and warranties of Nevada King set out in the Arrangement Agreement;

- (iv) take such action as may be required in order to ensure that any unvested options to acquire Nevada King Shares shall be accelerated in connection with the Arrangement and may be exercised on or immediately prior to the closing of the Arrangement, failing such exercise, unexercised Nevada King Options will be subject to the Nevada King Option Treatment.

Covenants of Victory

Nevada King has made certain covenants to Victory, including that:

- (a) Victory shall, and shall cause each of its material subsidiaries to, conduct its business in the ordinary course of business consistent with past practices, except as required to comply with Laws, directives, guidelines or recommendations by any Government Entity in connection with or in response to the COVID-19 pandemic and use commercially reasonable efforts to preserve intact its present business;
- (b) Victory shall, and shall cause each of its material subsidiaries to, perform all obligations required to be performed by Victory or any of its material subsidiaries under the Arrangement Agreement, co-operate with Nevada King in connection the Arrangement Agreement, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement and, without limiting the generality of the foregoing, Victory shall and, where appropriate, shall cause its material subsidiaries to:
 - (i) apply for and use its commercially reasonable efforts to obtain all Key Regulatory Approvals relating to Victory or any of its material subsidiaries and Victory shall file as soon as reasonably practicable with all applicable Governmental Entities all notices, applications, submissions or other documents or information required and, without limiting the foregoing, Victory shall use its commercially reasonable efforts to satisfy, as soon as reasonably possible, any requests for information and documentation received from any Governmental Entity in connection with such approval; and, in doing so, keep Nevada King reasonably informed as to the status of the proceedings related to obtaining such approvals, including providing Nevada King with copies of all related applications and notifications in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to Nevada King's outside counsel on an "external counsel" basis), in order for Nevada King to provide its reasonable comments thereon;
 - (ii) subject to the terms and conditions of the Arrangement Agreement and of the Plan of Arrangement and applicable Laws, Victory shall issue the

Consideration Shares, to be issued pursuant to the Arrangement at the time provided in the Arrangement Agreement;

- (iii) ensure that, with effect as and from the Effective Time, the Victory Board will consist of Paul Matysek, Collin Kettell, Douglas Forster, Craig Roberts and Quinton Hennigh, provided that all such members of the Victory Board consent to act as directors on the Victory Board, meet the qualification requirements to serve as a director under the rules and policies of the TSXV and shall be eligible under the BCBCA to serve as a director;
- (iv) use commercially reasonable efforts to complete the Private Placement prior to or in connection with the consummation of the Arrangement;
- (v) change its name to such name as the Parties may agree with effect as soon as practicable following the Effective Time in order to enable certificates representing the Consideration Shares to be issued when required by the Plan of Arrangement under such name;
- (vi) defend all lawsuits or other legal, regulatory or other proceedings against Victory challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement;
- (vii) use its commercially reasonable efforts to obtain, as soon as practicable following execution of the Arrangement Agreement, any third-party consents, approvals and notices required under any of the Material Contracts; and
- (viii) until the earlier of the Effective Time and termination of the Arrangement Agreement, Victory shall, subject to applicable Law, make available and cause to be made available to Nevada King, and the agents and advisors thereto, information reasonably requested by Nevada King for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Victory and Nevada King following the Effective Date and confirming the representations and warranties of Victory set out in the Arrangement Agreement.

Please note that Susan Lavertu has notified Victory and Nevada King that she has decided not to join the Combined Company as a director or officer and will instead focus on other projects. As such, Nevada King has provided Victory with an irrevocable waiver of the condition to the completion of the Arrangement that, at the Effective Time, Ms. Lavertu be appointed to the Victory Board.

Mutual Covenants

Each of the Parties covenants and agrees that, except as contemplated in the Arrangement Agreement, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms:

- (a) it shall, and shall cause its material subsidiaries to, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations under the Arrangement Agreement to the extent the same is within its control and to take, or cause to be taken, as promptly as practicable, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Plan of Arrangement, including using its commercially reasonable efforts to: (i) obtain all Key Regulatory Approvals required to be obtained by it; (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Plan of Arrangement; (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Plan of Arrangement; (iv) co-operate with the other Party in connection with the performance by it and its material subsidiaries of their obligations under the Arrangement Agreement, including giving the other Party a reasonable opportunity to review and comment on any filing or submission being made to a Governmental Entity in connection with the Key Regulatory Approvals, which comments the receiving Party shall give due consideration to, and providing the other Party with a final copy of any filing or submission made to a Governmental Entity (where a Party regards any information in a filing or submission to be both confidential and competitively sensitive, the supplying Party may restrict the supply of such information to the receiving Party's external legal counsel only and such receiving Party shall not request or receive such information from its external legal counsel without the supplying Party's written consent); (v) provide the other Party with any communications received from a Governmental Entity in connection with obtaining the Key Regulatory Approvals; (vi) neither Party shall attend any meeting with a Governmental Entity in connection with obtaining the Key Regulatory Approvals, whether such meeting will be by teleconference or in person, without affording the other Party a reasonable opportunity to attend such meeting (provided that the Governmental Entity does not object to the attendance of both Parties at any such meeting); in addition, subject to the terms and conditions of the Arrangement Agreement, none of the Parties shall knowingly take or cause to be taken any action which would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by the Arrangement Agreement; and (vii) the Parties shall exchange such information that a Party reasonably requests for the purposes of determining whether any filing or notices to a Governmental Entity under any competition or anti-trust laws outside of Canada must be submitted in connection with the transactions contemplated by the Arrangement Agreement;
- (b) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to significantly impede the making or completion of the Plan of Arrangement except as permitted by the Arrangement Agreement;
- (c) it shall use its commercially reasonable efforts to ensure that the Section 3(a)(10) Exemption is available for the issuance of Consideration Shares to the Nevada King Shareholders in exchange for their Nevada King Shares pursuant to the Plan of Arrangement, and

- (d) it will consider a potential consolidation of Victory Shares following the closing of the Arrangement,

provided, however, that Section 5.5 of the Arrangement Agreement shall not require Victory to take any steps or actions that would, in its sole discretion, acting reasonably, affect Victory's or its material subsidiaries' right to own, use or exploit its business, operations or assets or those of Nevada King or any of its material subsidiaries including, for greater certainty, divesting or agreeing to divest of any assets of Victory, Nevada King or any of their respective material subsidiaries, terminating any existing relationships, contractual rights or obligations of Victory, Nevada King or any of their respective material subsidiaries or effecting any change or restructuring of Victory, Nevada King or any of their respective material subsidiaries in order to obtain the Key Regulatory Approvals prior to the Outside Date.

Non-Solicitation and Acquisition Proposal

Each Party has covenanted to the other Party that it shall, and shall direct and cause its respective officers, directors, employees, representatives, advisors and agents and its material subsidiaries and their representatives, advisors, agents, officers, directors and employees (collectively, the **"Representatives"**) to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by such Party, and each Party shall request the return of information regarding such Party and its respective material subsidiaries previously provided to such parties and shall request the destruction of all materials including or incorporating any confidential information regarding such Party and its material subsidiaries.

Each Party has covenanted to the other Party not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. Each Party has covenanted to the other Party not to release any third party from any standstill or similar agreement or obligation to which such third party is a party or by which such third party is bound (it being understood and agreed that the automatic termination of a standstill provision due to the announcement of the Arrangement or the entry into the Arrangement Agreement shall not be a violation of Section 7.2.1 of the Arrangement Agreement).

Each Party has covenanted to the other Party that it shall not, directly or indirectly, through its Representatives:

- (a) make, solicit, initiate, entertain, encourage, promote or facilitate, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Acquisition Proposal or that may be reasonably be expected to lead to an Acquisition Proposal;
- (b) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any person any information or otherwise co-operate with, respond to, assist or participate in any Acquisition Proposal or potential Acquisition Proposal provided however that a Party may communicate and participate in discussions with a third party for the purpose of (A) clarifying the terms of any proposal in order to determine if it may reasonably be expected to result in a Superior Proposal; and (B) advising such third party that an Acquisition Proposal does not constitute a Superior Proposal and cannot reasonably be expected to result in a

Superior Proposal;

- (c) remain neutral with respect to, or agree to, approve or recommend any Acquisition Proposal or potential Acquisition Proposal for longer than five business days following formal announcement of such Acquisition Proposal;
- (d) withdraw, modify, qualify or change in a manner adverse to any other Party, or publicly propose to or publicly state that it intends to withdraw, modify, qualify or change in a manner adverse to the other Party the approval, recommendation or declaration of advisability of its board of directors of the Arrangement (a **"Change in Recommendation"**) (it being understood that failing to affirm the approval or recommendation of its board of directors of the Arrangement within five (5) business days after an Acquisition Proposal relating to such Party has been publicly announced shall be considered an adverse modification);
- (e) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any person in the event that the Arrangement is completed or in the event that it completes any other transaction with the other Party or with an affiliate of the other Party that is agreed to prior to any termination of the Arrangement Agreement; or
- (f) make any public announcement or take any other action inconsistent with the recommendation of its board of directors to approve the Arrangement.

Responding to Acquisition Proposals and Superior Proposals

Notwithstanding the foregoing and any other provisions of the Arrangement Agreement:

- (a) The board of directors of a Party (in this section, the **"Solicited Party"**) may consider, participate in any discussions or negotiations with and provide information to, any person who has delivered a written Acquisition Proposal which was not solicited or encouraged by the Solicited Party after the date of the Arrangement Agreement and did not otherwise result from a breach of the non-solicitation provisions of the Arrangement Agreement by the Solicited Party and that its board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel would reasonably be expected to lead to a Superior Proposal, provided however, that prior to taking any such action the board of directors of the Solicited Party determines in good faith, after consultation with outside counsel that it is necessary to take such action in order to discharge properly its fiduciary duties, and if the Solicited Party provides confidential non-public information to such person, the Solicited Party obtains a confidentiality and standstill agreement from the person making such Acquisition Proposal that is substantively the same as the confidentiality agreement between the Parties hereto, and otherwise on terms no more favourable to such person than such confidentiality agreement, including a standstill provision at least as stringent as contained in such confidentiality agreement; provided, however, that such agreement shall not preclude such person from making a Superior Proposal and such agreement shall not restrict or prohibit the Solicited Party from disclosing to the other Party any details concerning the Acquisition Proposal or any Superior

Proposal made by such person.

- (b) The Solicited Party shall be permitted to provide such person with access to information regarding the Solicited Party; provided that the Solicited Party sends a copy of any such confidentiality agreement to the other Party promptly upon its execution and the other Party is provided with a list of the information provided to such person and is immediately provided with access to similar information to which such person was provided;
- (c) Nothing in the Arrangement Agreement shall prohibit the board of directors of a Party from making a Change in Recommendation or from making any disclosure to any of its securityholders prior to the Effective Time if, in the good faith judgment of such board of directors, after consultation with outside legal counsel, failure to take such action or make such disclosure would be inconsistent with the exercise of its fiduciary duties or such action or disclosure is otherwise required under applicable law (including by responding to an Acquisition Proposal under a directors' circular or otherwise as required under applicable Securities Laws); provided that:
 - (i) no Change in Recommendation may be made in relation to an Acquisition Proposal unless a Party complies with the termination provisions of the Arrangement Agreement; and
 - (ii) subject to paragraph (i) above, prior to making a Change in Recommendation, a Party shall give to the other Party not less than 48 hours' notice of its intention to make such Change in Recommendation.

Each Party has covenanted to promptly (and in any event within 24 hours) notify the other Party, at first orally and then in writing, of any proposals, offers or written inquiries relating to or constituting an Acquisition Proposal, or any request for non-public information relating to such Party or any of its material subsidiaries. Such notice shall include a description of the terms and conditions of any proposal, inquiry or offer, the identity of the person making such proposal, inquiry or offer and provide such other details of the proposal, inquiry or offer as the other Party may reasonably request. Each Party shall keep the other Party fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

Right to Match

Each Party has covenanted that it will not accept, approve, endorse, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality and standstill agreement permitted by the non-solicitation provisions of the Arrangement Agreement) unless:

- (a) the Solicited Party has provided the other Party with a copy of all documentation related to and detailing the Superior Proposal;
- (b) the Solicited Party has provided the other Party with the information regarding such Superior Proposal required under the Arrangement Agreement;
- (c) the board of directors of the Solicited Party has determined in good faith after consultation with outside legal counsel and its financial advisors that it is

necessary in order for the board of directors to discharge properly its fiduciary duties to withdraw or modify its approval or recommendation of the Arrangement Agreement and to approve or recommend such Superior Proposal; and

- (d) five (5) business days shall have elapsed from the later of the date the other Party received a Superior Proposal notice advising it that the Solicited Party's board of directors has resolved to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal subject only to Section 7.3 of the Arrangement Agreement, and the date such Party received a copy of such Superior Proposal document.

During the five business day period following notice of a Superior Proposal, the receiving Party agrees that the other Party shall have the right, but not the obligation, to offer in writing to amend the terms of the Arrangement Agreement. The board of directors of the Solicited Party will review any written proposal to amend the terms of the Arrangement Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the amended proposal would, upon acceptance by the Solicited Party, result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of the Solicited Party so determines, the Solicited Party will enter into an amended agreement with the other Party reflecting the amended proposal. If the board of directors of the Solicited Party does not so determine, the Solicited Party may accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal, subject to compliance with Section 7.4 of the Arrangement Agreement.

The board of the Solicited Party shall promptly reaffirm its recommendation of the Arrangement by news release after any Acquisition Proposal which is not determined to be a Superior Proposal is publicly announced or the Solicited Party determines that a proposed amendment to the terms of the Arrangement Agreement would result in an Acquisition Proposal constituting a Superior Proposal no longer being a Superior Proposal. The Solicited Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such new release and shall make all reasonable amendments to such new release as requested by the other Party and its legal counsel.

Termination of the Arrangement Agreement

Subject to payment of the Termination Fee where applicable, the Arrangement Agreement may be terminated at any time:

1. by mutual written agreement of Victory and Nevada King; or
2. by either Victory or Nevada King, if
 - (a) the Effective Time shall not have occurred on or before the Outside Date, except that this right to terminate the Arrangement Agreement shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or directly resulted in, the failure of the Effective Time to occur by such Outside Date;
 - (b) after the date of the Arrangement Agreement, there shall be enacted or made any applicable law that makes consummation of the Arrangement illegal or otherwise

prohibited or enjoins Nevada King or Victory from consummating the Arrangement and such applicable law (if applicable) or injunction shall have become final and non-appealable;

- (c) the Nevada King Arrangement Resolution shall have failed to obtain the Nevada King Shareholder Approval at the Nevada King Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
- (d) the Victory Arrangement Resolution shall have failed to obtain the Victory Shareholder Approval at the Victory Meeting (including any adjournment or postponement thereof);
- (e) the other Party's board of directors makes a Change in Recommendation;
- (f) such Party, prior to such Party's securityholder meeting (being either the Nevada King Meeting or the Victory Meeting, as the case may be) enters into a legally binding agreement with respect to a Superior Proposal, provided that concurrently with such termination, such Party pays the Termination Fee;
- (g) any of the mutual conditions or conditions for the benefit of such Party is not satisfied, and such condition is incapable of being satisfied by the Outside Date;
- (h) subject to the notice and cure provisions of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the other Party set forth in the Arrangement Agreement (other than the non-solicitation provisions) shall have occurred that would cause the mutual conditions or conditions for the benefit of such Party not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that such Party is not then in breach of the Arrangement Agreement so as to cause any of the mutual conditions or conditions for the benefit of the other Party not to be satisfied;
- (i) the other Party is in breach or in default of any of its non-solicitation obligations or covenants set forth in the Arrangement Agreement other than an immaterial breach of same to provide notice of an Acquisition Proposal to such Party within a prescribed period;
- (j) the other Party's securityholder meeting (being either the Victory Meeting or the Nevada King Meeting, as the case may be) has not occurred on or before April 9, 2021, provided that this right to terminate the Arrangement Agreement shall not be available to such Party if the failure by such Party to fulfil any obligation under the Arrangement Agreement is the cause of, or results in, the failure of the other Party's securityholder meeting to occur on or before such date; or
- (k) the other Party enters into a legally binding agreement relating to a Superior Proposal.

Expenses

Except as otherwise provided in the Arrangement Agreement, all fees, costs and expenses incurred in connection with the Arrangement Agreement and the Arrangement will be paid by the Party incurring such fees, costs or expenses.

Termination Fee

If a Party enters into an agreement, understanding or arrangement to effect an Acquisition Proposal that is a Superior Proposal, makes a Change in Recommendation in respect of the Arrangement or breaches the non-solicitation provisions of the Arrangement Agreement, then such Party will pay or cause to be paid to the other Party the Termination Fee, being \$1,500,000.

In addition to the foregoing, if the Arrangement Agreement is terminated due to the failure by the shareholders of one of the Parties (such Party the **“Non-Approving Party”**) to approve the Arrangement Resolution or the Victory Arrangement Resolution, as the case may be, at the applicable shareholders’ meeting, and prior to such shareholders’ meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to the Non-Approving Party has been made to the Non-Approving Party or publicly announced and not withdrawn and within 6 months of the date of such termination:

1. the announced Acquisition Proposal is consummated by the Non-Approving Party; or
2. the Non-Approving Party and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the board of directors of the Non-Approving Party approves or recommends, any Acquisition Proposal which is subsequently consummated at any time thereafter,

provided that, for the purposes of the above “20%” in the definition of “Acquisition Proposal” shall be deemed to be references to “50%”, then the Non-Approving Party will pay to the other Party the Termination Fee within two Business Days following the closing of the applicable transaction.

Amendment

The Arrangement and the Arrangement Agreement may, at any time before or after the Meetings, but not later than the Effective Time, be amended by mutual written agreement of the Parties and any such amendment may, subject to the Interim Order and the Final Order and applicable law, without limitation:

- change the time for performance of any of the obligations or acts of the Parties;
- waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- waive compliance with or modify any of the covenants in the Arrangement Agreement and waive or modify the performance of any of the obligations of the Parties; or

- waive compliance with or modify any mutual conditions precedent in the Arrangement Agreement;

provided, however, that notwithstanding the foregoing: (i) following the relevant meeting, the corresponding share consideration will not be amended without the approval of the relevant shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court; and (ii) the Arrangement Agreement and the Arrangement may be amended in accordance with the Final Order but, in the event that the terms of the Final Order requires any such amendment, the Parties agree to act reasonably in considering such amendment.

INFORMATION RELATING TO THE COMBINED COMPANY

As a result of the Arrangement, Victory Shareholders and Nevada King Shareholders will each hold 50% of the issued and outstanding Combined Company Shares (not including the Combined Company Shares issuable upon conversion of the Victory Subscription Receipts).

As of the Effective Time, the Combined Company will be managed by Paul Matysek, Executive Chairman and Collin Kettell, Chief Executive Officer. In addition, the intended retention of Victory and Nevada King's technical team will encourage continued exploration of Nevada King and Victory's existing mineral exploration projects. The Board of Directors will consist of Paul Matysek, Collin Kettell, Douglas Forster, Craig Roberts and Quinton Hennigh.

The Combined Company will continue to execute on the historical and combined visions of Victory and Nevada King of building a leading Nevada explorer and developer and becoming a dominant landholder and operator, focused exclusively on the Battle Mountain Trend, one of the world's most endowed and prolific gold trends. See *Appendix G – Information Relating to the Combined Company*.

After the Effective Time, the Combined Company Shares (being Victory Shares) will continue to trade on the TSXV.

For further information concerning the business and operations of the Combined Company following completion of the Arrangement and for Pro-Forma Financial Statements of the Combined Company, see *Appendix G – Information Relating to the Combined Company*.

INFORMATION RELATING TO VICTORY

Victory owns a 100% interest in the Iron Point Project, located 22 miles east of Winnemucca, Nevada. The project is located within a few miles of Interstate 80, has high voltage electric power lines running through the project area and a railroad line passing across the northern property boundary. Victory is well financed to advance the project through resource estimation and initial feasibility study work. Victory has a proven capital markets and mining team led by Executive Chairman Paul Matysek. Major shareholders include Palisades and management, directors and founders. Approximately 13% of Victory's issued and outstanding shares are subject to an escrow release over the next year.

Nevada King Shareholders who vote in favor of the Nevada King Arrangement Resolution will be voting in favour of combining the businesses of Nevada King and Victory.

Additional information with respect to the business and affairs of Victory is set forth in *Appendix H – Information Relating to Victory* to this Circular. Also refer to Victory's public disclosure filings which may be found under Victory's company profile on SEDAR at www.sedar.com.

INFORMATION RELATING TO NEVADA KING

Nevada King is the fourth largest mineral claim holder in the State of Nevada, and the fastest growing mineral claim holder in the United States. Nevada King owns 100% of the Atlanta Project, located 100km southeast of Ely, Nevada, which is a historical gold-silver producer that currently hosts a NI 43-101 compliant mineral resource estimate constrained by a conceptual pit containing 11 million tonnes of measured and indicated resources grading 1.3g/t Au and containing 460,000 Au oz. Inferred mineral resources are 5.31 million tonnes grading 0.83 g/t Au containing 142,000 Au oz. Past open pit production is reported to have been 110,000 oz Au and 800,000 oz. Ag (1975 - 1985). Exploration activities are currently covered by a BLM-approved Plan of Operations. Existing infrastructure includes electricity to the mine, phone/internet communications, access via a graded county road, and abundant water supply. The resource area remains open for expansion through further drilling. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The quantity and grade are rounded to reflect the fact that it is an approximation. Major shareholders include Palisades and management, directors and founders.

Victory Shareholders who vote in favor of the Victory Arrangement Resolution will be voting in favour of combining the businesses of Victory and Nevada King.

Additional information with respect to the business and affairs of Nevada King is set forth in *Appendix I – Information Relating to Nevada King* to this Circular.

SECURITIES LAW CONSIDERATIONS

Listing and Resale of Victory Shares

Each Nevada King Shareholder is urged to consult such shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Victory Shares issuable pursuant to the Arrangement.

Victory is a reporting issuer in the provinces of British Columbia and Alberta. The Victory Shares are currently listed on the TSXV. Victory has applied to list the Victory Shares issuable under the Arrangement including, for greater certainty, Consideration Shares to be issued to Nevada King Shareholders (other than any Dissenting Shareholders) in exchange for their Nevada King Shares. It is a condition of closing that (i) the TSXV shall have conditionally approved the listing thereon, subject to official notice of issuance, of the Victory Shares issuable pursuant to the Arrangement as of the Effective Date, or as soon as possible thereafter, with final notice of issuance to be provided by the TSXV as soon as possible thereafter. See "*The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*". TSXV conditional approval has been obtained for the listing of the Consideration Shares to be issued to Nevada King Shareholders (other than any Dissenting Shareholders) in exchange for their Nevada King Shares. The issuance of Victory Shares pursuant to the Arrangement will constitute distributions of securities that are exempt from the prospectus requirements of applicable Securities Laws. Victory Shares issued pursuant to the Arrangement may be resold in each province and territory of Canada, provided that: (i) Victory is a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in NI 45-102; (iii) no unusual effort is made to prepare the market or create a demand for those securities; (iv) no extraordinary commission or consideration is paid in respect of that trade; and (v) if the selling security holder is an "insider" or "officer" of Victory (as such terms are defined by applicable Securities Laws), the insider or officer has no reasonable grounds to believe that Victory is in default of applicable Securities Laws.

Interests of Certain Persons and Companies in the Matters to be Acted Upon

The directors and executive officers and other related parties of Nevada King and Victory may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of other Nevada King Shareholders and Victory Shareholders. These interests include those described herein. In considering the recommendations of the Nevada King Board and the Victory Board with respect to the Arrangement, Nevada King Shareholders and Victory Shareholders should be aware that certain members of the Nevada King Board and the Victory Board and of Nevada King's and Victory's management have interests in connection with the transactions contemplated by the Arrangement that may create actual or potential conflicts of interest in connection with such transactions. The Nevada King Board and the Victory Board are aware of these interests and considered them along with the other matters described above in "*The Arrangement - Reasons for the Recommendations of the Victory Board and the Nevada King Board*".

Victory

All benefits received, or to be received, by directors or executive officers of Victory as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of Victory or as Victory Shareholders or Nevada King Shareholders. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to

any such person for Nevada King Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

The following table sets out the names, positions and Nevada King Shares held by the directors and executive officers of Victory owning Nevada King Shares as well as the Nevada King Shares held by Palisades, Victory's majority shareholder, all as of the Record Date. Where known after reasonable inquiry, such holdings of Nevada King Shares include any such Nevada King Shares held by the respective associates or affiliates of such directors and executive officers of Victory as of such date and the consideration to be received for such Nevada King Shares.

Name and Position with Victory	Nevada King Shares Held	Consideration Shares to be Received⁽¹⁾
Collin Kettell CEO and Director	1,468,750	2,495,259
Craig Roberts Director	772,500	1,312,400
Bassam Moubarak CFO	166,250	282,442
Palisades Majority Victory Shareholder	24,669,147	41,910,413

Note:

(1) Assumes that at the Effective Time there were 99,134,068 Victory Shares and 57,591,018 Nevada King Shares issued and outstanding resulting in an exchange rate of 1.7213 Consideration Shares for each Nevada King Share.

It is a condition to the completion of the Arrangement that, concurrent with, and subject to, completion of the Arrangement, Nevada King completes the Private Placement for gross proceeds of at least \$8 million. The Subscription Price for the Private Placement was \$0.55 per Victory Subscription Receipt which represents a 11.3% discount to the closing price of the Victory Shares on the TSXV on November 16, 2020, the last trading day prior to the announcement of the Arrangement. Palisades the majority shareholder of Victory, subscribed for 200,000 Victory Subscription Receipts pursuant to the Private Placement representing 0.61% of the Victory Subscription Receipts issued pursuant to the Private Placement and Douglas Forster, a director of Victory, subscribed for 100,000 Victory Subscription Receipts. Upon completion of the Arrangement such Victory Subscription Receipts will automatically convert into Victory Shares. The Private Placement will not result in a material impact on control or direction over Victory.

Nevada King

As of the date of this Circular, Victory does not own, directly or indirectly, or exercise control or direction over, any Nevada King Shares. Victory has not purchased or sold any securities of Nevada King during the 12 months preceding the announcement of the Arrangement Agreement.

As of February 23, 2021 the directors and officers of Nevada King, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 4,736,250 Nevada King Shares, representing approximately 8.22% of the outstanding Nevada King Shares on a fully-diluted basis. All of the Nevada King Shares held by

the directors and officers of Nevada King will be treated in the same fashion under the Arrangement as Nevada King Shares held by every other Nevada King Shareholder.

The following table sets out the Nevada King Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by the directors and officers and certain shareholders of Nevada King, as of the date of this Circular:

Shares of Nevada King Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised			
Name	Position with Nevada King	Nevada King Shares	% Nevada King Shares Outstanding
Collin Kettell	Founder and Executive Chairman	1,588,750	2.76%
Susan Lavertu	Chief Executive Officer	882,500	1.53%
Philip O'Neill	President & Director	712,500	1.24%
Calvin Herron	Chief Operating Officer	1,522,500	2.64%
Michael Kanevsky	Chief Financial Officer and Corporate Secretary	0	0
Palisades Goldcorp Ltd.	Shareholder	24,669,147	42.84%

Insurance and Indemnification of Directors and Officers

The Arrangement Agreement provides that prior to the Effective Date Victory will, or will cause Nevada King and its material subsidiaries to, maintain in effect without any reduction in scope or coverage for six years from the Effective Date customary policies of directors' and officers' liability insurance providing protection no less favourable to the protection provided by the policies maintained by Nevada King and its material subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided, however, that Victory acknowledges and agrees that prior to the Effective Date, Nevada King may, in the alternative, purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date with the prior written consent of Victory.

Victory agrees that it shall directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Nevada King and its material subsidiaries and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect.

MI 61-101

Related Party Transaction

As a reporting issuer in British Columbia and Alberta and an issuer listed on the TSXV (and therefore subject to TSXV Policy 5.9), Victory is subject to the requirements of MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain

instances, approval and oversight of the transaction by a special committee of independent directors.

A person that holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer is considered a “control person” of that issuer. In the absence of evidence to the contrary, if such person holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, that person is deemed to be a control person. Palisades currently owns approximately 53.3% of the Victory Shares and 42.8% of the Nevada King Shares. Accordingly, under Canadian Securities Law, Palisades is considered a “control person” of both Victory and Nevada King.

The protections of MI 61-101 generally apply to “related party transactions” where an issuer enters into a transaction with a related party. Because Victory and Nevada King have a common control person (namely Palisades) Victory and Nevada King are considered “related parties” as defined in MI 61-101. Consequently, the issuances of the Consideration Shares in exchange for Nevada King Shares in connection with the Arrangement is consequently a “related party transaction”.

Valuation Exemption

MI 61-101 requires formal valuations for “related party transactions” unless the transaction meets one of the prescribed exemptions from the formal valuation requirements. Victory is relying on the valuation exemption in Section 5.5(b) of MI 61-101 in connection with the Arrangement on the basis that the Victory Shares are not listed on a specified market as a result of being listed on the TSXV.

Minority Approval

MI 61-101 also requires minority approval for “related party transactions”, unless the transaction meets one of the prescribed exemptions from the minority approval requirements. Such minority approval is being sought at the Victory Meeting in connection with the Arrangement. To be effective, the Victory Arrangement Resolution must be approved by a simple majority of the votes cast at the Victory Meeting by Victory Shareholders present in person or represented by proxy and entitled to vote at the Victory Meeting, excluding votes cast in respect of Victory Shares held by any interested party, related party of an interested party or joint actor (all as defined in MI 61-101), which in this case consists of Palisades, the directors and senior officers of Palisades, and the directors and senior officers of Nevada King. As of the date of this Circular, Palisades holds 52,808,154 Victory Shares representing 53.3% of the issued and outstanding Victory Shares and Craig Roberts, a Director of Victory and also the Chief Technical Officer of Palisades holds 1,775,000 Victory Shares representing 1.8% of the issued and outstanding Victory Shares. Victory and Nevada King are not aware of any other directors or senior officers of Nevada King or Palisades who hold any Victory Shares. The 54,583,154 Victory Shares held by Palisades and Mr. Roberts will be excluded from voting for the purpose of determining minority approval.

Qualification and Resale of Victory Shares

The Consideration Shares to be issued in exchange for Nevada King Shares pursuant to the Arrangement will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that

constitute “control distributions”, Victory Shares issued pursuant to the Arrangement may be resold in each province and territory in Canada.

United States Securities Law Matters

The following discussion is only a general overview of certain requirements of U.S. federal Securities Laws that may be applicable to the holders of Victory Shares. All holders of such securities are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. federal and state Securities Laws. Further information applicable to the holders of securities resident in the United States is disclosed in this Circular under the heading “*Securities Law Considerations – United States Securities Law Matters*”.

Exemption from U.S. Registration

The Victory Shares issuable under the Arrangement have not been and will not be registered under the U.S. Securities Act or any state Securities Laws, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof and applicable state Securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of such issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on February 24, 2021, and, subject to the approval of the Nevada King Arrangement Resolution by the Nevada King Shareholders and the approval of the Victory Arrangement Resolution by the Victory Shareholders, a hearing for a Final Order will be held on in a timely fashion following the Meetings, in order to close the Arrangement and related transactions in an orderly fashion, on April 2, 2021, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. All Nevada King Shareholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. Accordingly, the Final Order granted by the Court will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof with respect to the Victory Shares to be issued pursuant to the Arrangement.

Resale of Victory Shares received under the Arrangement

Nevada King Shareholders who, after completion of the Arrangement, are not “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Victory and were not, at any time within the 90 days immediately before a resale of any Victory Shares received under the Arrangement, an “affiliate” of Victory, may resell such Victory Shares within or outside the U.S. without restriction under the U.S. Securities Act.

Affiliates – Rule 144

Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such securities by such an affiliate may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Any Nevada King Shareholders who, after consummation of the Arrangement is an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of Victory or was, at any time during the 90 days immediately before the resale of any Victory Shares received under the Arrangement, an “affiliate” of Victory may not resell such Victory Shares, unless such securities are registered under the U.S. Securities Act or an exemption from registration, such as the exemptions contained in Rule 144 and Rule 904 of Regulation S under the U.S. Securities Act, is available.

Securities to be issued to such affiliates pursuant to the Arrangement may also be resold in compliance with the resale provisions of Rule 145(d)(1) under the U.S. Securities Act, or as otherwise permitted under the U.S. Securities Act. Rule 145(d)(1) generally provides that such affiliates may not sell the securities received pursuant to the Arrangement unless pursuant to an effective registration statement or in accordance with the volume, current public information and manner of sale limitations of Rule 144 under the U.S. Securities Act. These limitations generally require that any sales made by an affiliate in any three-month period not exceed the greater of 1% of the outstanding securities of Victory.

Affiliates – Regulation S

In general, pursuant to Rule 904 of Regulation S under the U.S. Securities Act, persons who are affiliates of Victory solely by virtue of their status as an officer or director of such company, subject to certain exceptions, may sell Victory Shares outside the United States in an “offshore transaction” (which would include a sale through the TSXV, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” into the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means, “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions, as set forth in Regulation S, may be applicable. Pursuant to Rule 903 of Regulation S, additional restrictions are applicable to a holder of Victory Shares who is an affiliate of Victory after the Arrangement other than solely by virtue of his or her status as an officer or director of Victory.

Stock Exchange Approvals

The Victory Shares currently trade on the TSXV under the symbol “VMX”. Victory has applied to the TSXV to list (i) the Victory Shares issuable under the Arrangement and (ii) the Victory Shares issuable pursuant to the Private Placement. It is a condition of closing that Victory will have obtained approval of the TSXV, subject only to the customary listing conditions of the TSXV, subject to notice of issuance. On February 17, 2021 Victory received conditional approval for the listing of the Consideration Shares issuable under the Arrangement. On February 2, 2021 Victory received final approval for the Private Placement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as at the date of this Circular, the principal Canadian federal income tax considerations under the Tax Act of the Arrangement generally applicable to a beneficial owner of Nevada King Shares who, at all relevant times, for purposes of the Tax Act: (i) deals at arm's length with Nevada King and Victory; (ii) is not affiliated with Nevada King and Victory; and (iii) holds its Nevada King Shares and will hold the Victory Shares received upon the Arrangement, as capital property (a "**Holder**").

Nevada King Shares will generally be considered to be capital property to a Holder unless such Nevada King Shares are held by the Holder in the course of carrying on a business of buying and selling securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "specified financial institution" for the purposes of the Tax Act; (ii) that is a "financial institution" for the purposes of the mark-to-market rules in the Tax Act; (iii) an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iv) who makes or has made a functional currency reporting election for the purposes of the Tax Act; (v) that is a foreign affiliate, as defined in the Tax Act, of a taxpayer resident in Canada; (vi) received Nevada King Shares upon the exercise of a stock option or other form of employee compensation plan or arrangement; or (vii) that has entered into or will enter into a "derivative forward agreement", as defined in the Tax Act, in respect of the Nevada King Shares or Victory Shares. In addition, this summary does not address the income tax considerations to holders of Nevada King Options.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada or a corporation that does not deal at arm's length (for purposes of the Tax Act) with a corporation resident in Canada and is, or becomes, controlled by a non-resident Person or group of non-resident Persons that do not deal with each other at arm's length for the purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, and on an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. **Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.**

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act is, or is deemed to be, resident in Canada (a **“Resident Holder”**). Certain Resident Holders whose Nevada King Shares or Victory Shares might not otherwise qualify as capital property may be entitled to have such shares, and every other “Canadian security” (as defined in the Tax Act) owned by them in the taxation year and any subsequent taxation year, deemed to be capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Resident Holders considering making such an election should consult their own tax advisors for advice as to whether the election is available or advisable in their own particular circumstances.

Exchange of Nevada King Shares for Victory Shares

Pursuant to the Arrangement, a Resident Holder, other than a Dissenting Resident Holder (as defined below), will exchange their Nevada King Shares for Victory Shares. Such Resident Holder will be deemed to have disposed of such Nevada King Shares under a tax-deferred share-for-share exchange pursuant to section 85.1 of the Tax Act, unless such holder chooses to recognize a capital gain (or capital loss) as described in the immediately following paragraph. More specifically, the Resident Holder will be deemed to have disposed of the Nevada King Shares for proceeds of disposition equal to the adjusted cost base of the Nevada King Shares to such holder, determined immediately before the Effective Time, and the Resident Holder will be deemed to have acquired the Victory Shares at an aggregate cost equal to such adjusted cost base of the Nevada King Shares. This cost will be averaged with the adjusted cost base of all other Victory Shares held by the Resident Holder as capital property for the purpose of determining the adjusted cost base of each Victory Share held by the Resident Holder.

A Resident Holder who exchanges Nevada King Shares for Victory Shares pursuant to the Arrangement and who chooses to recognize all of the capital gain (or capital loss) in respect of the exchange may do so by including such capital gain (or capital loss) in computing its income for the taxation year in which the exchange takes place. In such circumstances, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the Victory Shares received exceeds (or is less than) the aggregate of the adjusted cost base of the Nevada King Shares to the Resident Holder, determined immediately before the Effective Time, and any reasonable costs of disposition. The amount of any capital loss realized by a Resident Holder that is a corporation, trust or partnership may be denied in certain cases where such holder acquired the Nevada King Shares in a transaction subject to the stop-loss rules described in the Tax Act. For a description of the tax treatment of capital gains and capital losses, see *“Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses”* below. The cost of the Victory Shares acquired on the exchange will be equal to the fair market value thereof in these circumstances. This cost will be averaged with the adjusted cost base of all other Victory Shares held by the Resident Holder as capital property for the purpose of determining the adjusted cost base of such Victory Shares.

Dissenting Resident Holders

A Resident Holder who exercises Dissent Rights in respect of the Arrangement (a **“Dissenting Resident Holder”**) and who disposes of Nevada King Shares in consideration for a cash payment from Nevada King will be deemed to have received a dividend from Nevada King equal to the amount by which the cash payment (other than any portion of the payment that is interest

awarded by a court) exceeds the paid-up capital (computed for the purpose of the Tax Act) of the Dissenting Resident Holder's Nevada King Shares. The balance of the payment (equal to the paid-up capital of the Dissenting Resident Holder's Nevada King Shares) will be treated as proceeds of disposition. The Dissenting Resident Holder will also realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Holder's Nevada King Shares. In certain circumstances, the full payment received by a Dissenting Resident Holder that is a corporation resident in Canada may be treated under the Tax Act as proceeds of disposition.

Any deemed dividend received by a Dissenting Resident Holder and any capital gain or capital loss realized by the Dissenting Resident Holder, will be treated in the same manner as described under the headings "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dividends on Victory Shares*" and "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" below.

A Dissenting Resident Holder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement. In addition, a Dissenting Resident Holder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including any taxable capital gains and interest income. Dissenting Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Dividends on Victory Shares

A Resident Holder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Holder's Victory Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Victory as "eligible dividends", as defined in the Tax Act. There may be limitations on the ability of Victory to designate dividends as eligible dividends.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Holder's Victory Shares, but generally will be entitled to deduct an equivalent amount in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of a disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Victory Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Taxable dividends received by an individual or trust, other than certain specified trust, may give rise to minimum tax under the Tax Act.

Disposing of Victory Shares

Generally on a disposition or deemed disposition of a Victory Share (other than in a tax deferred transaction), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of the Victory Share immediately before the disposition or deemed disposition and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see “*Certain Canadian Federal Income Tax Considerations - Taxation of Capital Gains and Capital Losses*” below.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year must be included in the Resident Holder’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year (subject to and in accordance with rules contained in the Tax Act). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Resident Holder that throughout the relevant taxation year, is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act), including any taxable capital gains.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a share may be reduced by the amount of certain dividends previously received (or deemed to be received) by the Resident Holder on such share (or another share where the share has been acquired in exchange for such other share) to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns a share or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such share. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for minimum tax as calculated under the detailed rules set out in the Tax Act.

Eligibility for Investment

Based on the current provisions of the Tax Act, the Victory Shares will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a deferred profit sharing plan, a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”) or a tax-free savings account (“**TFSA**”) (each as defined in the Tax Act), at any particular time, provided that, at that time, the Victory Shares are listed on a “designated stock exchange” (which currently includes the TSXV) or Victory is a “public corporation” (each as defined in the Tax Act).

Notwithstanding that Victory Shares may be qualified investments for a trust governed by a RRSP, RRIF, TFSA, RDSP or RESP the annuitant under an RRSP or RRIF, or the holder of a

TFSA, or RDSP or subscriber of a RESP will be subject to a penalty tax on such shares if such shares are a “prohibited investment” (as defined in subsection 207.01(1) of the Tax Act). The Victory Shares will generally not be a “prohibited investment” for a trust governed by a RRSP, RRIF, TFSA, RDSP or RESP provided that (i) the annuitant under the RRSP or the RRIF holder of the TFSA or RDSP or subscriber of a RESP, as the case may be, deals at arm’s length with Victory for purposes of the Tax Act and does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in Victory, or (ii) the Victory Shares are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for the RRSP, RRIF, TFSA, RDSP or RESP. An annuitant holder or subscriber should consult its own tax advisor in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the application of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Nevada King Shares or Victory Shares in a business carried on in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act).

Exchange of Nevada King Shares for Victory Shares

Nevada King Shares held by Non-Resident Holders, other than Dissenting Non-Resident Holders, as defined below, will be exchanged for Victory Shares as part of the Arrangement. Such exchange will occur on a tax-deferred basis, unless the Non-Resident Holder chooses to recognize a capital gain or capital loss as described in the following paragraph.

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of a Nevada King Share, unless: (i) the Nevada King Share is “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act; and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. Generally, a Nevada King Share will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition unless more than 50% of the fair market value of such share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource property (as defined in the Tax Act), timber resource property (as defined in the Tax Act), and options in respect of, or interests in, or civil law rights in, any such properties (whether or not such property exists). In the event the Nevada King Shares are “taxable Canadian property” to the Non-Resident Holder and the Non-Resident Holder chooses to recognize a capital gain (or capital loss), the consequences to such Non-Resident Holder will be the same as described above in the second paragraph under the heading “*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada – Exchange of Nevada King Shares for Victory Shares*”.

Non-Resident Holders who dispose of Nevada King Shares that are deemed to be “taxable Canadian property” (as defined in the Tax Act) should consult their own tax advisors concerning the Canadian income tax consequences of the disposition and the potential requirement to file a Canadian income tax return depending on their particular circumstances.

Dissenting Non-Resident Holders

A Non-Resident Holder who exercises Dissent Rights in respect of the Arrangement (a **"Dissenting Non-Resident Holder"**) and disposes of Nevada King Shares to Nevada King in consideration for cash payment from Nevada King will realize a dividend and capital gain or loss in the same manner as discussed above under *"Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Dissenting Resident Holders"*.

Any deemed dividend received by a Dissenting Non-Resident Holder will be subject to Canadian withholding tax as described below under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Dividends on Victory Shares"*.

A Dissenting Non-Resident Holder will generally not be subject to income tax under the Tax Act in respect of any capital gain realized on a disposition of Nevada King Shares pursuant to the exercise of their Dissent Rights unless such Nevada King Shares are considered to be "taxable Canadian property", as discussed above under the heading *"Certain Canadian Federal Income Tax Considerations - Holders Not Resident in Canada – Exchange of Nevada King Shares for Victory Shares"*, to such Dissenting Non-Resident Holder that is not exempt from tax under the Tax Act pursuant to the terms of an applicable income tax convention between Canada and the country in which the Dissenting Non-Resident Holder is resident. Dissenting Non-Resident Holders whose Nevada King Shares may constitute "taxable Canadian property" should consult their own tax advisors.

Where a Dissenting Non-Resident Holder receives interest in connection with the exercise of Dissent Rights in respect of the Arrangement, the interest will generally not be subject to Canadian withholding tax under the Tax Act.

Dividends on Victory Shares

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Holder's Victory Shares will be subject to withholding tax under the Tax Act at a rate of 25% unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the *Canada-US Tax Convention (1980)* and who is entitled to the benefits of that treaty, the rate of withholding will generally be reduced to 15% (or 5% in the case of a company beneficially owning at least 10% of Victory's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposing of Victory Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of an Victory Share, unless (i) the Victory Share is "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act; and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. Generally, a Victory Share will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition provided that such share is listed on a designated stock exchange (which includes the TSXV) at that time, unless at any time during the 60-month period immediately preceding that time: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly

through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Victory, and (ii) more than 50% of the fair market value of such share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), and options in respect of, or interests in, or civil law rights in, any such properties (whether or not such property exists). In addition, where a Non-Resident Holder acquires Victory Shares in exchange for Nevada King Shares that are “taxable Canadian property”, the Victory Shares will be deemed to be “taxable Canadian property” for the 60 month period that commences on the Effective Date.

Non-Resident Holders who dispose of Victory Shares that are “taxable Canadian property” should consult their own tax advisors with respect to the Canadian income tax consequences of the disposition and the potential requirement to file a Canadian income tax return in respect of the disposition depending on their particular circumstances.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Holder. Accordingly, Holders should consult their own tax advisors for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax consequences for U.S. Holders (as defined below) participating in the Arrangement. Unless otherwise indicated, this summary applies only to U.S. Holders that hold Nevada King Shares and will hold any Victory Shares received in connection with the Arrangement as capital assets (generally, property held for investment) within the meaning of Section 1221 of the U.S. Tax Code.

The following is a discussion of certain U.S. federal income tax considerations applicable to U.S. Holders arising from the Arrangement and the acquisition, ownership and disposition of Victory Shares received pursuant to the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to U.S. Holders as a result of the Arrangement or as a result of the acquisition, ownership and disposition of Victory Shares received pursuant to the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax considerations applicable to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular U.S. Holder. Except as discussed below, this summary does not discuss applicable income tax reporting requirements. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences of the Arrangement and the acquisition, ownership and disposition of Victory Shares received pursuant to the Arrangement. This summary does not address the U.S. tax consequences of the Arrangement to Nevada King Optionholders with respect to their Nevada King Options.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement or the ownership and disposition of Victory Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of this Disclosure

Authorities

This summary is based on the U.S. Tax Code, Treasury Regulations (final, temporary, and proposed) promulgated thereunder, U.S. court decisions, published IRS rulings and published administrative positions of the IRS, and the *Canada-US Tax Convention (1980)*, each as applicable, and in effect and available as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis and could affect the U.S. federal income tax considerations described in this summary.

U.S. Holders

For purposes of this summary, a “U.S. Holder” is an owner of Nevada King Shares participating in the Arrangement or exercising Dissent Rights that is: (a) an individual who is a citizen or resident of the U.S. for U.S. federal income tax purposes; (b) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in

or under the laws of the U.S. or any state in the U.S., including the District of Columbia; (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income; or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

For purposes of this summary, a “Non-U.S. Holder” is an owner of Nevada King Shares participating in the Arrangement or exercising Dissent Rights that is not a U.S. Holder and is not a partnership. This summary does not address the U.S. federal income tax considerations applicable to Non-U.S. Holders arising from the Arrangement. Accordingly, a Non-U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application of and operation of any tax treaties) of the Arrangement.

Transactions Not Addressed

This summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), and does not address the following:

- any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving any rights to acquire Nevada King Shares or Nevada King; and
- any transaction, other than the Arrangement, in which Nevada King Shares or Victory Shares are acquired.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the U.S. Tax Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies or that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (c) have a “functional currency” other than the U.S. dollar; (d) own Nevada King Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (e) acquired Nevada King Shares (or after the Arrangement, Victory Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (f) hold Nevada King Shares (or after the Arrangement, Victory Shares) other than as a capital asset within the meaning of section 1221 of the U.S. Tax Code; and (g) own or have owned, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Nevada King Shares (or following the completion of the Arrangement, U.S. Holders that will own, directly, indirectly or by attribution, 5% or more of the Victory Shares). This summary also does not address the U.S. federal income tax considerations applicable to holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or

will be deemed to use or hold Nevada King Shares (or after the Arrangement, Victory Shares) in connection with carrying on a business in Canada; (d) persons whose Nevada King Shares (or after the Arrangement, Victory Shares) constitute “taxable Canadian property” under the Tax Act; or persons that have a permanent establishment in Canada for the purposes of the *Canada-US Tax Convention (1980)*. U.S. Holders that are subject to special tax provisions, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences of the Arrangement.

If an entity that is classified as a partnership (or “pass-through” entity) for U.S. federal income tax purposes holds Nevada King Shares, the U.S. federal income tax consequences to such partnership (or “pass-through” entity) and the partners of such partnership (or owners of such “pass-through” entity) of participating in the Arrangement and owning Victory Shares generally will depend on the activities of the partnership (or “pass-through” entity) and the status of such partners (or owners). Partners of entities that are classified as partnerships (and owners of “pass-through” entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.

Other Tax Consequences Not Addressed

This summary does not address the state, local, U.S. federal alternative minimum tax, estate and gift, or non-U.S. tax consequences to U.S. Holders of the Arrangement; the tax consequences of the Foreign Investment in Real Property Tax Act of 1980; or the consequences if Nevada King or Victory are treated as Controlled Foreign Corporations (“CFCs”). Each U.S. Holder should consult its own tax advisors regarding the state, local, U.S. federal alternative minimum tax, estate and gift, and non-U.S. tax consequences of the Arrangement.

Certain U.S. Federal Income Tax Consequences of the Arrangement

Characterization of the Arrangement

Although the matter is not free from doubt, the acquisition of Nevada King has been structured with the intent that such acquisition qualifies as a tax-deferred “reorganization” within the meaning of Section 368(a) of the U.S. Tax Code (a “**Reorganization**”). Because the determination of whether the acquisition of Nevada King qualifies as a Reorganization depends on the resolution of complex issues and facts, some of which will not be known until the closing of the Arrangement, there can be no assurance that the acquisition of Nevada King will qualify as a Reorganization. In order for the acquisition of Nevada King to qualify as a Reorganization, among other things, Victory generally must hold at least 80 percent of the total combined voting power of all classes of stock entitled to vote of Nevada King and at least 80 percent of the total number of shares of each other class of stock or equity of Nevada King outstanding, and such shares and equity must have been acquired solely in exchange for Victory Shares. Thus, qualification of the acquisition of Nevada King as a Reorganization will depend, among other things, on the absence of any payment of non-qualifying consideration (e.g., cash) to the shareholders of Nevada King. In the Arrangement, if Nevada King Shares are purchased from shareholders of Nevada King exercising Dissent Rights by Nevada King with cash received either directly or indirectly from Victory, it will be treated as an indirect acquisition of Nevada King Shares by Victory for cash and thereby prevent the acquisition of Nevada King from qualifying as a Reorganization. At the time of this Circular, Nevada King does not know whether there will be any shareholders of Nevada King exercising Dissent Rights. If there are

shareholders of Nevada King exercising Dissent Rights, Nevada King anticipates that it will have sufficient cash, independent of any cash it receives from Victory, to satisfy the claims of shareholders of Nevada King. However, if any portion of the consideration paid to shareholders of Nevada King exercising Dissent Rights is from cash Nevada King receives directly or indirectly from Victory (including, without limitation, funds loaned by Victory to Nevada King), the consideration paid by Victory to Nevada King will not consist solely of Victory Shares and the acquisition of Nevada King will not qualify as a Reorganization.

Nevada King and Victory have not sought or obtained either a ruling from the IRS or an opinion of legal counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the treatment of the acquisition of Nevada King as a Reorganization or that the U.S. courts will uphold the status of the acquisition of Nevada King as a Reorganization in the event of an IRS challenge. The tax consequences of the acquisition of Nevada King qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting of the Arrangement.

Tax Consequences if Nevada King is Classified as a PFIC

A U.S. Holder of Nevada King Shares would be subject to special, potentially adverse tax rules in respect of the Arrangement if Nevada King was classified as a “passive foreign investment company” under Section 1297 of the U.S. Tax Code (a “**PFIC**”) for any tax year during which such U.S. Holder holds or held Nevada King Shares.

A non-U.S. corporation is classified as a PFIC for each tax year in which: (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes); or (ii) on the quarterly average for such tax year, 50% or more (by value) of its assets either produce or are held for the production of passive income. Section 1297 does not provide guidance on what is gross income. In IRS Private Letter Ruling 9447016 (August 19, 1994), the IRS stated that it was appropriate to apply the principles of Sections 11 and 61. Under Section 61, gross income includes: (1) the excess of revenues from operations — gross receipts — over the cost of goods sold (i.e., the gross margin); and (2) interest, dividends, and other items of income.

In determining whether or not it is classified as a PFIC, a non-U.S. corporation is required to take into account its pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (this “Look Through Rule” is described in detail under Final Regulations issued by the IRS on January 15, 2021).

Nevada King believes that it was a PFIC for its tax year ended December 31, 2019 and certain tax years prior to 2010, and based on current business plans and financial projections, expects that it will be a PFIC during its current tax year ending December 31, 2020. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. No opinion of legal counsel or ruling from the IRS concerning the PFIC status of Nevada King has been obtained and none will be requested. Consequently, there can be no assurances regarding the PFIC status of Nevada King during the current tax year which includes the Effective Date or any prior tax year.

Under proposed Treasury Regulations, absent application of the “PFIC-for-PFIC Exception” discussed below, if Nevada King is classified as a PFIC for any tax year during which a U.S. Holder holds or has held Nevada King Shares, the nonrecognition rules may not apply. In

general, the acquisition of Nevada King may be treated as a taxable exchange, even if such transaction qualifies as a Reorganization as discussed below.

A U.S. Holder that has made a “Mark-to-Market Election” under Section 1296 of the U.S. Tax Code or a timely and effective election to treat Nevada King as a “qualified electing fund” (a “**QEF**”) under Section 1295 of the U.S. Tax Code (a “**QEF Election**”) generally may mitigate the PFIC consequences described below with respect to the Arrangement. For example, if a QEF Election is made on the Nevada King Shares, the gain realized on the disposition of the Nevada King Shares under the Reorganization is taxable as capital gain (if the stock is a capital asset in the hands of U.S. Holder), and no interest charge is imposed. A shareholder of PFIC stock who does not make a timely QEF or Mark-to-Market Election is referred to for purposes of this summary as a “**Non-Electing Shareholder**.”

Special rules may increase such Non-Electing Shareholder’s U.S. federal income tax liability with respect to the Arrangement, and the following PFIC consequences would result:

- any gain on the sale, exchange or other disposition of Nevada King Shares will be allocated ratably over such U.S. Holder’s holding period;
- the amount allocated to the current tax year and to any tax year prior to the first year in which Nevada King was classified as a PFIC will be taxed as ordinary income in the current year;
- the amounts allocated to each of the other tax years will be subject to tax as ordinary income at the highest rate of tax in effect for the applicable class of taxpayer for that year;
- an interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the other tax years, which interest charge is not deductible by non-corporate U.S. Holders; and
- any loss realized would generally not be recognized.

Under certain proposed Treasury Regulations:

- a Non-Electing Shareholder does not recognize gain in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC so long as such Non-Electing Shareholder receives in exchange stock of another corporation that qualifies as a PFIC for its tax year that includes the day after the date of transfer (for purposes of this summary, this exception will be referred to as the “PFIC-for-PFIC Exception”); and
- a Non-Electing Shareholder generally does recognize gain (but not loss) in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC and receives in exchange stock of another corporation that does not qualify as a PFIC for its tax year that includes the day after the date of transfer.

Nevada King intends to provide to U.S. Holders with a PFIC Annual Information Statement for its tax year ended December 31, 2020 and if it determines it was a PFIC for its tax year ending December 31, 2020, for such tax year. Such statements may be provided on Nevada King’s or Victory’s website. U.S. Holders should consult with their own tax advisors regarding the potential application of the PFIC rules or any Mark-to-Market Election or QEF Election.

Victory has not made a determination as to whether it may be classified as a PFIC for the tax year that includes the day after the Effective Date of the Arrangement. Accordingly, if the proposed Treasury Regulations were finalized and made applicable to the Arrangement (even if this occurs after the Effective Date of the Arrangement), it is possible that the PFIC-for-PFIC Exception may not be available to U.S. Holders with respect to the Arrangement. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Victory during the tax year which includes the day after the Effective Date of the Arrangement or the availability of the PFIC-for-PFIC Exception.

Each U.S. Holder should consult its own tax advisors regarding the potential application of the PFIC rules to the exchange of Nevada King Shares for Victory Shares pursuant to the Arrangement, and the information reporting responsibilities in connection with the Arrangement.

In addition, the proposed Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. However, because the proposed Treasury Regulations have not yet been adopted in final form, they are not currently effective, and there is no assurance they will be finally adopted in the form and with the effective date proposed. It is uncertain whether the IRS would consider the proposed Treasury Regulations to be effective for purposes of determining the U.S. federal income tax treatment of the acquisition of Nevada King. In the absence of the proposed Treasury Regulations being finalized in their current form, the U.S. federal income tax consequences to a U.S. Holder set forth below in the discussion “*Certain U.S. Federal Income Tax Considerations - Certain U.S. Federal Income Tax Consequences of the Arrangement - Tax Consequences if the Acquisition of Nevada King Qualifies as a Reorganization*” or “*Certain U.S. Federal Income Tax Considerations - Certain U.S. Federal Income Tax Consequences of the Arrangement - Treatment of the Acquisition of Nevada King as a Taxable Transaction*” should apply to the acquisition of Nevada King; however, it is unclear whether the IRS would agree with this interpretation and/or whether the IRS could attempt to treat the acquisition of Nevada King as a taxable exchange on some alternative basis. It should be noted, however, that there is an argument that even though the 1992 proposed Treasury Regulations have not been finalized, Section 1291(f) that provides for gain recognition on nonrecognition transactions is interpreted as self-executing, and presumably, the exceptions contained in the proposed Treasury Regulations (such as PFIC-for-PFIC Exception) can be relied upon by taxpayers even in the absence of final regulations. It is suggested that until the proposed Treasury Regulations are finalized, U.S. shareholders of PFICs must apply “reasonable interpretations” of the statute and legislative history and employ “reasonable methods” to preserve the interest charge in respect of all post-1986 PFIC years of a foreign corporation. In a practical sense, the U.S. Holder should look to the proposed Treasury Regulations for guidance as to what is “reasonable.”

If gain is not recognized under the proposed Treasury Regulations, a U.S. Holder’s holding period for the Victory Shares for purposes of applying the PFIC rules presumably would include the period during which the U.S. Holder held its Nevada King Shares. Consequently, a subsequent disposition of the Victory Shares presumably should be taxable under the default PFIC rules described above. U.S. Holders should consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if the acquisition of Nevada King qualifies as a Reorganization. Additional information regarding the

PFIC rules is discussed under “*Certain U.S. Federal Income Tax Considerations - Ownership of Victory Shares*” below.

Tax Consequences if the Acquisition of Nevada King Qualifies as a Reorganization

Subject to the PFIC rules discussed above, if the acquisition of Nevada King qualifies as a Reorganization, then the following U.S. federal income tax consequences will result for U.S. Holders of shares of Nevada King:

- no gain or loss will be recognized by a U.S. Holder on the exchange of Nevada King Shares for Victory Shares pursuant to the Arrangement;
- the tax basis of a U.S. Holder in the Victory Shares acquired in exchange for Nevada King Shares pursuant to the Arrangement will be equal to such U.S. Holder’s tax basis in Nevada King Shares exchanged therefor;
- the holding period of a U.S. Holder for the Victory Shares acquired in exchange for Nevada King Shares pursuant to the Arrangement will include such U.S. Holder’s holding period for Nevada King Shares; and
- U.S. Holders who exchange Nevada King Shares for Victory Shares pursuant to the Arrangement generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Arrangement occurs, and to retain certain records related to the Arrangement.

The IRS could challenge a U.S. Holder’s treatment of the acquisition of Nevada King as a Reorganization. If this treatment were successfully challenged, then the acquisition of Nevada King would be treated as a taxable transaction, with the U.S. federal income tax consequences discussed immediately below (including the recognition of any realized gain).

Treatment of the Acquisition of Nevada King as a Taxable Transaction

If the acquisition of Nevada King does not qualify as a Reorganization for U.S. federal income tax purposes, subject to the PFIC rules discussed above, then the following U.S. federal income tax consequences will result for U.S. Holders of Nevada King:

- a U.S. Holder will recognize gain or loss in an amount equal to the difference, if any, between (i) the fair market value (expressed in U.S. dollars) of the Victory Shares received in exchange for Nevada King Shares pursuant to the Arrangement and (ii) the adjusted tax basis (expressed in U.S. dollars) of such U.S. Holder in Nevada King Shares exchanged therefor;
- the tax basis of a U.S. Holder in the Victory Shares received in exchange for Nevada King Shares pursuant to the Arrangement would be equal to the fair market value of such Victory Shares on the date of receipt; and
- the holding period of a U.S. Holder for the Victory Shares received in exchange for Nevada King Shares pursuant to the Arrangement will begin on the day after the date of receipt.

Subject to the PFIC rules discussed above, any gain or loss described immediately above generally would be capital gain or loss, which will be long-term capital gain or loss if such Nevada King Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code.

U.S. Holders Exercising Dissent Rights

A U.S. Holder that exercises Dissent Rights in the Arrangement and is paid cash in exchange for all of such U.S. Holder's Nevada King Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the amount of cash received by such U.S. Holder in exchange for such U.S. Holder's Nevada King Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the tax basis of such U.S. Holder in such Nevada King Shares surrendered therefor. Subject to the PFIC rules discussed in this summary, such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if such Nevada King Shares have been held for longer than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. U.S. Holders that receive Canadian currency as a result of exercising Dissent Rights should read the section below under the heading "*Other Considerations - Foreign Currency*".

Ownership of Victory Shares

PFIC Rules Related to the Ownership and Disposition of Victory Shares

If Victory were to constitute a PFIC (as defined above) for any year during a U.S. Holder's holding period of Victory Shares, then certain different and potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the ownership and disposition of Victory Shares.

Victory has not made a determination as to whether it may be classified as a PFIC for its current tax year ending December 31, 2020. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Victory for any tax year.

In addition, under certain attribution rules, if Victory is a PFIC, U.S. Holders will be deemed to own their proportionate share of the stock of any subsidiary of Victory which is also a PFIC (a "**Subsidiary PFIC**"), and will be subject to U.S. federal income tax on their proportionate share of (a) a distribution on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of Victory and each Subsidiary PFIC, especially in light of the recent Final Regulations issued by the IRS on January 15, 2021.

In addition, in any year in which Victory is classified as a PFIC, such holder may be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting

requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

Default PFIC Rules Under Section 1291 of the U.S. Tax Code

If Victory is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Victory Shares will depend on whether such U.S. Holder makes an election to treat Victory and each Subsidiary PFIC, if any, as a QEF or makes a Mark-to-Market Election.

A Non-Electing Shareholder will be subject to the rules of Section 1291 of the U.S. Tax Code with respect to (a) any gain recognized on the sale or other taxable disposition of Victory Shares and (b) any excess distribution received on the Victory Shares. A distribution generally will be an “excess distribution” to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a Non-Electing Shareholder’s holding period for the Victory Shares, if shorter).

Under Section 1291 of the U.S. Tax Code, any gain recognized on the sale or other taxable disposition of Victory Shares, and any “excess distribution” received on Victory Shares, must be ratably allocated to each day in a Non-Electing Shareholder’s holding period for the respective Victory Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and two years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing Shareholder that is not a corporation must treat any such interest paid as “personal interest”, which is not deductible.

If Victory is a PFIC for any tax year during which a Non-Electing Shareholder holds Victory Shares, Victory will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Victory ceases to be a PFIC in one or more subsequent tax years. A Non-Electing Shareholder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above) as if such Victory Shares were sold on the last day of the last tax year for which Victory was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its Victory Shares begins generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Victory Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of (a) the net capital gain of Victory, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of Victory, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and “ordinary earnings” are the excess of (a) “earnings and profits” over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which

Victory is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by Victory. However, for any tax year in which Victory is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to Victory generally may receive a tax-free distribution from Victory to the extent that such distribution represents “earnings and profits” of Victory that were previously included in income by the U.S. Holder because of the QEF Election and such U.S. Holder’s tax basis in the Victory Shares will be adjusted to reflect the amount included in income, and any amount allowed as a tax-free distribution, resulting from the QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize a capital gain or loss on the sale or other taxable disposition of Victory Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether the QEF Election is made for the first year in the U.S. Holder’s holding period for the Victory Shares in which Victory was a PFIC. A U.S. Holder may make a QEF Election for such first year by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder’s holding period for the Victory Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a “purging” election to recognize a gain (which will be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above) as if such Victory Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes a QEF Election but does not make a “purging” election to recognize gain as discussed in the preceding sentence, then such U.S. Holder shall be subject to the QEF Election rules and shall continue to be subject to tax under the rules of Section 1291 discussed above with respect to its Victory Shares. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Victory ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Victory is not a PFIC. Accordingly, if Victory becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Victory qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Victory will satisfy the record keeping requirements that apply to a QEF, or that Victory will supply U.S. Holders with the information necessary for them to satisfy the reporting requirements under the QEF rules, in the event that Victory is a PFIC. Thus, U.S. Holders may not be able to make an effective QEF Election with respect to their Victory Shares. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to the U.S. Holder's timely filed United States federal income tax return. However, if Victory does not provide the required information with regard to Victory or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Victory Shares are marketable stock. The Victory Shares generally will be "marketable stock" if the Victory Shares are regularly traded on: (a) a national securities exchange that is registered with the SEC; (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act; or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that: (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced; and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least fifteen days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Victory Shares generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to such Victory Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Victory Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the U.S. Tax Code discussed above will apply to certain dispositions of, and distributions on, the Victory Shares.

One of the principal drawbacks to the Mark-to-Market Election regime is that the U.S. Holder will not be entitled to the lower tax rates that apply to capital gains of the PFIC share, as is the case where a QEF Election is made. A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Victory is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Victory Shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in such Victory Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Victory Shares, over (b) the fair market value of such Victory Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Victory Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Victory Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A U.S. Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Victory Shares cease to be “marketable stock” or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Another disadvantage of the Mark-to-Market Election regime is that the election can be made only with respect to directly held PFIC shares or shares held through a foreign pass-through entity as provided in Section 1296(g). Thus, although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Victory Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the U.S. Tax Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Victory Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Victory Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if Victory is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the U.S. Tax Code, a U.S. Holder that uses Victory Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Victory Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC or a disposition of PFIC shares. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Victory Shares.

Distributions with Respect to Victory Shares

Subject to the PFIC rules discussed above, a U.S. Holder that receives a distribution (including a constructive distribution, but excluding certain pro rata distributions of stock described in U.S. Tax Code Section 305) with respect to the Victory Shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of Victory, as determined under U.S. federal income tax rules. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of Victory, such

distribution will be treated: (a) first, as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Victory Shares; and (b) thereafter, as gain from the sale or exchange of such shares (see more detailed discussion below under the heading "*Certain United States Federal Income Tax Considerations – Ownership of Victory Shares - Disposition of Victory Shares*"). However, Victory may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder therefore may have to assume that any distribution by Victory with respect to Victory Shares will constitute ordinary dividend income. Dividends paid on the Victory Shares generally will not be eligible for the "dividends received deduction" generally available to U.S. corporate shareholders receiving dividends from U.S. corporations. Subject to applicable limitations and provided Victory is eligible for the benefits of the *Canada-US Tax Convention (1980)* or the Victory Shares are readily tradable on a United States securities market, dividends paid by Victory to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends ("**Qualified Dividends**"), provided certain holding period and other conditions are satisfied. Specifically, to be eligible for the capital gain treatment of dividends, a U.S. Holder must hold its Victory Shares for more than 60 days during the 121-day period beginning 60 days before the Section 246(c) ex-dividend date. Section 55(b)(3)(B) and C provide that net capital gain treatment of dividends and the reduced net capital gain rates apply for purposes of the alternative minimum tax as well as the regular tax. However, to the extent the Qualified Dividend income exceeds an amount equal to 10% (5% for preferred stock) of the U.S. Holder's adjusted basis in the underlying Victory Shares, any loss realized on a subsequent sale or exchange of the Victory Shares must be treated as long-term capital loss to the extent of that excess amount. It must be emphasized that Qualified Dividends rule described herein would only apply if Victory is not subject to special tax rules such as the CFC and PFIC Rules.

The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Dispositions of Victory Shares

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Victory Shares in an amount equal to the difference, if any, between: (a) the amount of cash plus the fair market value of any property received; and (b) such U.S. Holder's tax basis in the Victory Shares sold or otherwise disposed of. Subject to the PFIC rules discussed above (see "*Certain U.S. Federal Income Tax Considerations – Tax Consequences if Nevada King is Classified as a PFIC*"), any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Victory Shares are held for longer than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

Other Considerations

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the Arrangement or in connection with the ownership or disposition of Victory Shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S.

federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the U.S. Tax Code. However, the amount of a distribution with respect to the Victory Shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income.

Special rules related to foreign tax credit for distributions from a PFIC is discussed under "*Certain U.S. Federal Income Tax Considerations – Ownership of Victory Shares – Other PFIC Rules.*"

The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Foreign Currency

The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of Victory Shares, or on the sale, exchange or other taxable disposition of Victory Shares, or any Canadian dollars received as a result of shareholders of Nevada King exercising Dissent Rights under the Arrangement, generally will be equal to the U.S. dollar value of such Canadian dollars based on the exchange rate applicable on the date of receipt (regardless of whether such Canadian dollars are converted into U.S. dollars at that time). A U.S. Holder that receives Canadian dollars and converts such Canadian dollars into U.S. dollars at a conversion rate other than the rate in effect on the date of receipt may have a foreign currency exchange gain or loss, which generally would be treated as U.S. source ordinary income or loss for foreign tax credit purposes.

Taxable dividends with respect to Victory Shares that are paid in Canadian dollars will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of the dividend, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes.

Note that if Victory is a PFIC and the U.S. Holder is a Non-Electing Shareholder, there are special rules related to the distributions made in a foreign currency. Under Section 1291(b)(3)(E), the calculations required under Section 1291(b) must be made in that currency. When the calculation of excess distributions has been determined using that foreign currency, it is translated to U.S. dollars. The proposed Treasury Regulations, on the other hand, provide that as a general rule, all calculations, including calculations of nonexcess distributions and of total excess distributions, are made in U.S. dollars, translating each distribution into U.S. dollars using the spot rate (defined under Treasury Regulation Section 1.988-1(d)) on the date the distribution is made. There is an exception where all relevant distributions are made in a single foreign currency, in which case, the calculations of total excess distributions and excess distributions are determined in that foreign currency. The ratable portion of the total excess distribution is then translated into U.S. dollars using the spot rate on the date of the distribution to which the ratable portion is allocated.

Different rules apply to U.S. Holders who use the accrual method. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Additional Tax on Passive Income

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their “net investment income,” which includes dividends on the Nevada King Shares or Victory Shares and net gains from the disposition of the Nevada King Shares or Victory Shares. Further, excess distributions treated as dividends, gains treated as excess distributions under the PFIC rules discussed above, and mark-to-market inclusions and deductions are all included in the calculation of net investment income.

Treasury Regulations provide, subject to the election described in the following paragraph, that solely for purposes of this additional tax, that distributions of previously taxed income will be treated as dividends and included in net investment income subject to the additional 3.8% tax. Additionally, to determine the amount of any capital gain from the sale or other taxable disposition of Nevada King Shares or Victory Shares that will be subject to the additional tax on net investment income, a U.S. Holder who has made a QEF Election will be required to recalculate its basis in such shares excluding QEF basis adjustments.

Alternatively, a U.S. Holder may make an election which will be effective with respect to all interests in controlled foreign corporations and QEFs held in that year or acquired in future years. Under this election, a U.S. Holder pays the additional 3.8% tax on QEF income inclusions and on gains calculated after giving effect to related tax basis adjustments. U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of the Nevada King Shares or Victory Shares.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a non-U.S. corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not

only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their shares of Nevada King or Victory Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of: (a) distributions on the Victory Shares; (b) proceeds arising from the sale or other taxable disposition of Victory Shares; or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) generally may be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder: (i) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9); (ii) furnishes an incorrect U.S. taxpayer identification number; (iii) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax; or (iv) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

RIGHTS OF DISSENTING NEVADA KING SHAREHOLDERS

The following description of the rights of Registered Nevada King Shareholders to dissent from the Nevada King Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting Nevada King Shareholder who seeks payment of the fair value of their Nevada King Shares. The statutory provisions dealing with the right of dissent are technical and complex. A registered Nevada King Shareholder's failure to strictly comply with the procedures set forth in Sections 237 to 247 of the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court, will result in the loss of such Registered Nevada King Shareholder's Dissent Rights.

If you are a Registered Nevada King Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the Plan of Arrangement, the provisions of Sections 237 to 247 of the BCBCA and the Interim Order which are attached to this Circular as Appendix C, Appendix J and Appendix E, respectively.

A Registered Nevada King Shareholder may dissent in respect of the Arrangement in accordance with Sections 237 to 247 of the BCBCA only with respect to all of the Nevada King Shares held by such Nevada King Shareholder or on behalf of any one beneficial owner and registered in the Nevada King Shareholder's name, provided that Registered Nevada King Shareholder duly dissents to the Arrangement Resolution and the Arrangement Resolution becomes effective.

Only Registered Nevada King Shareholders may dissent. Persons who are beneficial owners of Nevada King Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered owner is entitled to exercise Dissent Rights. Accordingly, a beneficial Nevada King Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the Nevada King Shares are re-registered in the beneficial Nevada King Shareholder's name).

A non-Registered Nevada King Shareholder who wishes to exercise the Dissent Rights must arrange for the Registered Nevada King Shareholder(s) holding its Nevada King Shares to deliver the Notice of Dissent and should seek further instructions to ensure the Registered Nevada King Shareholder follows all necessary procedures in respect of such Dissent Rights on behalf of, or in conjunction with, such non-Registered Nevada King Shareholder. The Notice of Dissent must set out the number of Dissent Shares the Dissenting Shareholder holds.

A registered holder, such as a broker, who holds Nevada King Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such beneficial owners with respect to the Nevada King Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Nevada King Shares covered by it.

Registered Nevada King Shareholders may exercise rights of dissent with respect to such Nevada King Shares pursuant to and in the manner set forth in sections 237 to 247 of the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement and any other order of the Court.

Registered Nevada King Shareholders who duly exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Nevada King Shares shall be entitled

to be paid such fair value as determined as at the close of business on the day prior to the approval of the Nevada King Arrangement Resolution; or

- (b) are ultimately not entitled, for any reason, to be paid fair value for their Nevada King Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Nevada King Shares,

but in no case shall Nevada King, Victory or any other person be required to recognize such holders as Nevada King Shareholders after the Effective Time of the Arrangement, and the names of such Nevada King Shareholders shall be deleted from the registers of Nevada King Shareholders at the Effective Time of the Arrangement. **There can be no assurance that a Nevada King Shareholder validly exercising Dissent Rights will receive consideration for its Nevada King Shares of equal or greater value to the consideration that such Nevada King Shareholder would have received on completion of the Arrangement.**

In order to exercise Dissent Rights, a Registered Nevada King Shareholder is required to send a written notice to Nevada King at least two days prior to the Nevada King Meeting, which notice must be in the form set out in Section 242 of the BCBCA. **A vote against the Arrangement Resolution or not voting on the Arrangement Resolution does not constitute a written objection for purposes of the notice of dissent under Section 242 of the BCBCA.** The exercise of Dissent Rights does not deprive a Registered Nevada King Shareholder of the right to vote at the Nevada King Meeting. However, a Registered Nevada King Shareholder is not entitled to exercise Dissent Rights in respect of the Nevada King Arrangement Resolution if such holder votes any of the Nevada King Shares held by such holder in favour of the Nevada King Arrangement Resolution.

If the Nevada King Arrangement Resolution is passed at the Nevada King Meeting, and Nevada King intends to act on the authority of the Nevada King Arrangement Resolution, it must send a notice (the “**Notice to Proceed**”) to the Nevada King Shareholder validly exercising its Dissent Rights promptly after the later of the date on which Nevada King forms the intention to proceed and the date the notice of dissent was received. A Notice of Intention is not required to be sent to any Dissenting Shareholder who voted in favour of the Nevada King Arrangement Resolution or who has withdrawn their Notice of Dissent. The Notice to Proceed will set out the manner in which the dissent is to be completed. A Nevada King Shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must, within one month after the date of the Notice to Proceed, send a written statement to Nevada King requiring Nevada King to purchase the Nevada King Shareholder’s Nevada King Shares, the certificates representing the Nevada King Shares, and any other applicable information required by Section 244 of the BCBCA.

Nevada King and the Nevada King Shareholder exercising its Dissent Rights may agree on the amount of the payout value of the Nevada King Shares. If Nevada King and the Nevada King Shareholder do not agree on the amount of the payout value of the Nevada King Shares, the Nevada King Shareholder or Nevada King may apply to a court of competent jurisdiction and the court may determine the payout value. On agreement or determination of the payout value Nevada King must either promptly pay that amount to the Nevada King Shareholder or send a notice to the Nevada King Shareholder that Nevada King is unable lawfully to pay the Nevada King Shareholders exercising their Dissent Rights for their Nevada King Shares as Nevada King is insolvent or if the payment would render Nevada King insolvent. If the Nevada King Shareholder receives a notice that Nevada King is unable to lawfully pay Nevada King Shareholders for their Nevada King Shares, the Nevada King Shareholder may, within 30 days

after receipt, withdraw his, her or its notice of dissent. If the notice of dissent is not withdrawn, the Nevada King Shareholder remains a claimant against Nevada King to be paid as soon as Nevada King is lawfully able to do so.

All notices to Nevada King of dissent to the Nevada King Arrangement Resolution pursuant to Sections 237 to 247 of the BCBCA should be addressed to the attention of the individual set out below and be sent not later than 5:00 p.m. (Vancouver time) on March 29, 2021 or two Business Days prior to any date to which the Nevada King Meeting may be postponed or adjourned, by mail or email to:

Blake, Cassels & Graydon LLP
2600 – 595 Burrard Street
Vancouver, British Columbia
Canada, V7X 1L3
Attention: Alexandra Luchenko
Or by email to alexandra.luchenko@blakes.com

If, as of the Effective Date, the aggregate number of Nevada King Shares in respect of which Nevada King Shareholders have duly and validly exercised Dissent Rights exceeds 5% of the Nevada King Shares then outstanding, each of Nevada King and Victory is entitled, in its discretion, not to complete the Arrangement.

See “The Arrangement Agreement – Conditions to the Arrangement Becoming Effective.”

RISK FACTORS

In evaluating the Arrangement, Victory Shareholders and Nevada King Shareholders should carefully consider the following risk factors relating to the Arrangement, including the fact that the Arrangement may not be completed, if among other things, the Arrangement is not approved at the Victory Meeting, the Nevada King Arrangement Resolution is not approved at the Nevada King Meeting or if any of the conditions precedent to the completion of the Arrangement are not satisfied or waived, as applicable. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Victory and Nevada King, individually or collectively, may also adversely affect the trading price of the shares of any of the companies or the business outstanding price of the shares following the Arrangement. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

Risk Factors Relating to the Arrangement

The Arrangement May Not Be Completed.

Each of the Parties has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Parties provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement.

In addition, the completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the Parties, including obtaining approval of Nevada King Shareholders of the Nevada King Arrangement Resolution, approval of the Victory Shareholders of the Victory Arrangement Resolution, approval of the TSXV and approval of the Court. There is no certainty, nor can the Parties provide any assurance, that these conditions will be satisfied, or if satisfied, when they will be satisfied.

There are a number of material risks to which the Parties are subject relating to the Arrangement not being completed, including the following:

- (a) if the Arrangement is not completed, the market price of the Victory Shares may be adversely affected; and
- (b) if the Arrangement Agreement is terminated and either party chooses to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the price to be paid pursuant to the Arrangement and, under certain circumstances, a Party may be required to pay the Termination Fee.

The Arrangement may be delayed, and business affected due to outbreaks of communicable diseases, including COVID-19.

The continued and prolonged effects of the ongoing global outbreak of COVID-19 may delay or prevent the completion of the Arrangement. Among other things, Governmental Entities in certain jurisdictions have ordered the mandatory closure of all nonessential workplaces, which may disrupt the ability of Nevada King and Victory to close the Arrangement in the timing

contemplated including potential delays in respective shareholder meetings, court hearings and the receipt of requisite regulatory approvals.

In addition, the impacts of COVID-19, among other things, have and may affect the ability of Nevada King and Victory to operate for an indeterminate period of time, may affect the health or safety of employees or contractors, may impede access to services, contractors and supplies, may lead to heightened regulatory scrutiny by Governmental Entities, may lead to restrictions on transferability of currency, may cause business continuity issues and may result in failures of various local administration, logistics and critical infrastructure. Such effects and disruptions to business continuity as a result of the effects of COVID-19 may impact the ability to consummate the Arrangement or the timing thereof and may have an adverse effect on Nevada King, Victory and the Combined Company's financial position and results of operations. The full extent of the impact of COVID-19 on the contemplated timing and completion of the Arrangement and on the respective operations of Nevada King, Victory and the Combined Company will depend on future developments, which are uncertain and cannot be predicted at this time.

The value of the Victory Shares that Nevada King Shareholders receive or will be entitled to receive, as applicable, under the Arrangement or of the Victory Shares that existing Victory Shareholders retain following the Arrangement, may be less than the value of the Nevada King Shares or Victory Shares, as applicable, as of the date of the Arrangement or the dates of the shareholder meetings.

The consideration payable to Nevada King Shareholders pursuant to the Arrangement is based on a fixed exchange ratio and there will be no adjustment for changes in the market price of Victory Shares or Nevada King Shares prior to the consummation of the Arrangement. None of the Parties are permitted to terminate the Arrangement and abandon the Arrangement solely because of changes in the market price of the Victory Shares or Nevada King Shares.

There may be a significant amount of time between the date when Victory Shareholders and Nevada King Shareholders vote at their respective meetings and the date on which the Arrangement is completed. As a result, the relative or absolute prices of the Victory Shares or the Nevada King Shares may fluctuate significantly between the dates of the Arrangement, this Circular, the meetings and completion of the Arrangement.

These fluctuations may be caused by, among other factors, changes in the businesses, operations, results and prospects of the companies, market expectations of the likelihood that the Arrangement will be completed and the timing of its completion, the prospects for the Combined Company's post-combination operations, the effect of any conditions or restrictions imposed on or proposed with respect to the Combined Company by governmental authorities and general market and economic conditions.

As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Victory Shares that Nevada King Shareholders will receive or shall be entitled to receive, as applicable, on completion of the Arrangement. There can be no assurance that the market value of the Victory Shares that Nevada King Shareholders will receive or shall be entitled to receive, as applicable, on completion of the Arrangement will equal or exceed the market value of the Nevada King Shares held by such Nevada King Shareholders prior to such time. In addition, there can be no assurance that the trading price of the Victory Shares will not decline following completion of the Arrangement.

The Termination Fee provided under the Arrangement may discourage other parties from attempting to acquire Nevada King or Victory.

Under the Arrangement, Nevada King or Victory would be required to pay the Termination Fee in the event the Arrangement is terminated in certain circumstances. This Termination Fee may discourage other parties from attempting to acquire Nevada King Shares, Victory Shares or otherwise make an Acquisition Proposal to Nevada King or Victory, as applicable, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement.

Additionally, a Party may be required to pay the Termination Fee in certain circumstances. Payment of this amount could have an adverse effect on the Party's financial condition following any such termination of the Arrangement.

The integration of Victory and Nevada King may not occur as planned.

The ability to realize the benefits of the Arrangement including, among other things, those set forth in this Circular under the heading "*The Arrangement - Reasons for the Recommendations of the Victory Board, the Victory Special Committee and the Nevada King Board*", will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the Combined Company's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating Victory and Nevada King's businesses following completion of the Arrangement. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities following completion of the Arrangement and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the ability of the Combined Company to achieve the anticipated benefits of the Arrangement.

Conflict of interests.

Certain of the directors and officers of the Combined Company are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Combined Company may participate or may wish to participate, the directors of the Combined Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Combined Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Combined Company and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Combined Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Combined Company making the assignment. In accordance with the provisions of the BCBCA the directors and officers of the Combined Company are required to act honestly in good faith, with a view to the best

interests of the Combined Company. In determining whether or not the Combined Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Combined Company, the degree of risk to which the Combined Company may be exposed and its financial position at that time.

Risks Related to the Businesses of Nevada King and Victory.

The businesses of Nevada King and Victory is subject to significant risks. See the risk factors set out in this Circular and incorporated by reference. While the Parties have completed due diligence investigations, including reviewing technical, environmental, legal, tax accounting, financial and other matters, on each other, certain risks either may not have been uncovered or are not known at this time. Such risks may have an adverse impact on the assets of the Combined Company following the Arrangement and may have a negative impact on the value of the Combined Company Shares.

Nevada King and Victory Each Expect to Incur Significant Costs Associated with the Arrangement.

Each of Nevada King and Victory will incur significant direct transaction costs in connection with the Arrangement. While such costs were anticipated, actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. Moreover, certain of Nevada King and Victory's costs related to the Arrangement, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Arrangement is not completed.

While the Arrangement is pending, Nevada King and Victory are restricted from taking certain actions.

The Arrangement Agreement restricts Nevada King and Victory from taking specified actions until the Arrangement is completed without the consent of Victory which may adversely affect the ability of Nevada King to execute certain business strategies. These restrictions may prevent either Party from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

Dissent Rights.

Registered Nevada King Shareholders have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their Nevada King Shares in cash in connection with the Arrangement in accordance with the BCBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and the Final Order. If there are a significant number of Dissenting Nevada King Shareholders, a substantial cash payment may be required to be made to such Nevada King Shareholders that could have an adverse effect on the financial condition and cash resources if the Arrangement is completed. See "*Rights of Dissenting Nevada King Shareholders*".

VICTORY DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Victory Board.

The information concerning Nevada King contained in this Circular, including the appendices attached hereto, has been provided by Nevada King. The Victory Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. Victory assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Nevada King to disclose facts or events which may affect the accuracy of any such information.

DATED this February 24, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS
OF VICTORY METALS INC.**

"Paul Matysek"

Paul Matysek
Executive Chairman

NEVADA KING DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Nevada King Board.

The information concerning Victory contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by Victory. The Nevada King Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. Nevada King assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Victory to disclose facts or events which may affect the accuracy of any such information.

DATED this February 24, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS
OF NEVADA KING MINING LTD.**

"Philip O'Neill"

Philip O'Neill
President and Director

GLOSSARY OF DEFINED TERMS

The following terms used in this Circular have the meanings set forth below.

“Acquisition Proposal” means, other than the transactions involving the Parties contemplated by the Arrangement Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned subsidiaries, any offer, proposal or inquiry from any person or group of persons acting jointly or in concert, whether or not in writing and whether or not delivered to the shareholders of a Party, after the date hereof relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of that Party and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its subsidiaries, taken as a whole (or any lease, long-term supply or off-take agreement, hedging arrangement or other transaction having the same economic effect as a sale of such assets), or (ii) 20% or more of the issued and outstanding voting or equity securities of that Party or any one or more of its subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such person or group of persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; or (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving that Party or any of its subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its subsidiaries, taken as a whole; in all cases, whether in a single transaction or in a series of related transactions. For the purposes of the definition of “Superior Proposal”, reference in the definition of Acquisition Proposal to “20%” shall be deemed to be replaced by “100%”.

“affiliate” has the meaning ascribed to it in the Securities Act.

“Alliance” means Alliance Trust Company

“Arrangement” means the arrangement under Part 9, Division 5 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 8.3 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court in the Final Order.

“Arrangement Agreement” means the business combination arrangement agreement dated as of December 14, 2020 between Victory and Nevada King as amended, amended and restated or supplemented or otherwise modified from time to time in accordance with the terms thereof.

“associate” has the same meaning as ascribed to the term “associated entity” in MI 61-101.

“Atlanta Project” means the Atlanta property located in the norther portion of Lincoln County, Nevada.

“Atlanta Project Report” means the NI 43-101 Technical Report on Resources, Atlanta Property, Lincoln County, NV, prepared by Gustavson Associates.

“BCBCA” means the *Business Corporations Act* (British Columbia).

“BCSC” means the British Columbia Securities Commission.

“Blackout Period” means a period during which Victory prohibits Victory Optionholders from exercising their Victory Options.

“BLM” means the United States Bureau of Land Management.

“Brownstone Loans” has the meaning ascribed to it in *“Appendix H – Information Regarding Victory – Brownstone Loans”*.

“business day” means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Vancouver, British Columbia are open for the conduct of business.

“Canada-US Tax Convention (1980)” means the Convention between Canada and the United States with respect to Taxes on Income and on Capital, signed September 26, 1980, as amended.

“CDS” means CDS Clearing and Depository Services Inc.

“Combined Company” means Victory after completion of the Arrangement, whereby Nevada King is a subsidiary of Victory as the parent company.

“Combined Company Board” means the board of directors of the Combined Company following completion of the Arrangement.

“Combined Company Options” mean options to acquire Combined Company Shares, being Victory Options.

“Combined Company Shareholder” means a holder of Combined Company Shares, being a Victory Shareholder.

“Combined Company Shares” means the issued and outstanding common shares of the Combined Company following completion of the Arrangement, being Victory Shares.

“Conditional Election” has the meaning ascribed to it under the heading *“Particulars of Matters to be Acted Upon at the Victory Meeting – Conditional Election of Directors”*.

“Conditional Nominees” has the meaning ascribed to it under the heading *“Particulars of Matters to be Acted Upon at the Victory Meeting – Conditional Election of Directors”*.

“Consideration Shares” means the Victory Shares to be issued to the Nevada King Shareholders pursuant to the Plan of Arrangement.

“Court” means the Supreme Court of British Columbia.

“Depository” means any trust company, bank or financial institution agreed to in writing between the Parties for the purpose of, among other things, exchanging certificates representing Nevada King Shares for certificates representing Consideration Shares pursuant to the Arrangement.

“Dissenting Nevada King Shareholder” means a registered holder of Nevada King Shares who duly and validly dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their Nevada King Shares.

“Dissenting Non-Resident Holder” means a Non-Resident Holder who exercises Dissent Rights in respect of the Arrangement and who disposes of Nevada King Shares to Nevada King in consideration for cash payment from Nevada King.

“Dissenting Resident Holder” means a Resident Holder who exercises Dissent Rights in respect of the Arrangement and who disposes of Nevada King Shares to Nevada King in consideration for a cash payment from Nevada King.

“Dissent Rights” means the rights of dissent in respect of the Arrangement provided under Sections 237 to 247 of the BCBCA, as set out Appendix J to this Circular, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court.

“Dissent Shares” means Nevada King Shares held by a Dissenting Nevada King Shareholder and in respect of which the Dissenting Nevada King Shareholder has duly and validly exercised the Dissent Rights in accordance with the dissent procedures in the Interim Order.

“Effective Date” means the date designated by Victory and Nevada King by notice in writing as the effective date of the Arrangement, after all of the conditions to the completion of the Arrangement as set out in the Arrangement Agreement and the Final Order have been satisfied or waived.

“Effective Time” means 12:01 a.m. on the Effective Date.

“Exchange Ratio” means that number of Victory Shares for each Nevada King Share that will result in the Former Nevada King Shareholders owning, in aggregate, 50% of the issued and outstanding Victory Shares immediately after the Effective Time on a non-diluted basis and excluding from such calculation any securities issued or to be issued pursuant to the Private Placement.

“Fairness Opinion” means the Victory Fairness Opinion.

“Final Order” means the final order of the Court pursuant to Section 291 of the BCBCA, approving the Arrangement, in form and substance acceptable to both Nevada King and Victory, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Nevada King and Victory, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Nevada King and Victory, each acting reasonably).

“Former Nevada King Shareholders” means the holders of Nevada King Shares immediately prior to the Effective Time.

“Fort Capital” means Fort Capital Partners, financial advisor to Victory.

“Governmental Entity” means any applicable (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central

bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

“Holder” has the meaning ascribed to it under the heading *“Certain Canadian Federal Income Tax Considerations”*.

“IFRS” means International Financial Reporting Standards, at the relevant time, prepared on a consistent basis.

“Interested Parties” means, collectively Victory, Nevada King or any of their respective associates or affiliates.

“Interim Order” means the interim order of the Court made after an application to the Court pursuant to section 291(2) of the BCBCA, after being informed of the intention to rely upon the exemption from the registration requirements under section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares to be issued pursuant to the Agreement, providing for, among other things, the calling and holding of the Nevada King Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Nevada King and Victory, each acting reasonably.

“Intermediary” has the meaning ascribed to it under the heading *“General Information Concerning the Victory Meeting and Voting – Information for Beneficial Shareholders”*.

“Iron Point Project” means the Iron Point Vanadium Project, consisting of 730 unpatented lode claims covering approximately 12,822 acres, located in the Iron Point mining district 22 miles east of Winnemucca, Humboldt County, Nevada (USA).

“Iron Point Project Report” means the NI 43-101 Technical Report on the Iron Point Vanadium Deposit, Humboldt County, Nevada, effective September 30, 2018.

“IRS” means the U.S. Internal Revenue Service.

“Key Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an order prohibiting closing being made) required from any Governmental Entity to proceed with the Arrangement, the failure of which to obtain would reasonably be expected to have a Material Adverse Effect on such Party.

“Key Third Party Consents” means those consents and approvals required to be obtained by a Party from any third party under any of its material contracts in order to proceed with the Arrangement, the failure of which to obtain would reasonably be expected to have a Material Adverse Effect on such Party.

“Letters of Transmittal” means the letters of transmittal sent to Nevada King Shareholders that accompany this Circular for use by Registered Nevada King Shareholders.

“Lock-Up Agreements” means, collectively, the Victory Lock-Up Agreements and the Nevada King Lock-Up Agreements.

“Locked-Up Shareholders” means the Shareholders subject to the Lock-Up Agreements entered into pursuant to the Arrangement Agreement.

“Material Adverse Effect” has the meaning ascribed to it in the Arrangement Agreement.

“Meeting Materials” has the meaning ascribed to it under the heading *“General Information Concerning the Victory Meeting and Voting – Information for Beneficial Shareholders”*.

“Meetings” means collectively, the Nevada King Meeting and the Victory Meeting.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“Nevada King” means Nevada King Mining Ltd., a company existing under the BCBCA.

“Nevada King Arrangement Resolution” means the special resolution of the Nevada King Shareholders approving the Arrangement to be considered at the Nevada King Meeting, substantially in the form and content of Appendix B hereto.

“Nevada King Board” means the board of directors of Nevada King as the same is constituted from time to time.

“Nevada King Lock-Up Agreement” means the voting agreements (including all amendments thereto) between Nevada King and the Victory Locked-Up Shareholders.

“Nevada King Locked-Up Shareholders” means the holders of Nevada King Shares subject to the Victory Lock-Up Agreements.

“Nevada King Meeting” means the special meeting of the Nevada King Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Nevada King Arrangement Resolution and any other matters as may be set out in this Circular and agreed to in writing by Victory, acting reasonably.

“Nevada King Notice of Meeting” means the Notice of Special Meeting of Nevada King Shareholders accompanying this Circular.

“Nevada King Option Treatment” means the termination or surrender, and cancellation, of all Nevada King Options, whether vested or unvested, at the Effective Time, in accordance with the terms and conditions of the Nevada King Stock Option Plan and any applicable award agreement in relation thereto for no consideration and in a manner that none of Nevada King or Victory shall be obliged to pay any amount in respect of such terminated Nevada King Options.

“Nevada King Optionholders” means the holders of Nevada King Options.

“Nevada King Options” means the outstanding options to purchase Nevada King Shares issued pursuant to the Nevada King Stock Option Plan and otherwise.

“Nevada King Shareholder Approval” means 66 ²/₃% of the votes cast on the Nevada King Arrangement Resolution by Nevada King Shareholders present in person or represented by proxy at the Nevada King Meeting.

“Nevada King Shareholders” means, at any time, the holders of Nevada King Shares.

“Nevada King Shares” means common shares in the capital of Nevada King.

“Nevada King Stock Option Plan” means the stock option plan of Nevada King approved by the Nevada King Board on February 28, 2020.

“NI 43-101” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

“NI 52-110” means National Instrument 52-110 – *Audit Committee*.

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Shareholders*.

“Fort Capital” means Fort Capital Partners, financial advisor to Victory.

“NOBO” has the meaning ascribed to it under the heading *“General Information Concerning the Victory Meeting and Voting – Information for Beneficial Shareholders”*.

“Non-Electing Shareholder” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Nevada King is Classified as a PFIC”*.

“Non-Registered Shareholder” means in each case, a Non-Registered Nevada King Shareholder or a Non-Registered Victory Shareholder.

“Non-Registered Nevada King Shareholder” has the meaning ascribed to it under the heading *“General Information concerning the Nevada King Meeting and Voting – Voting of Nevada King Shares Owned by Beneficial Shareholders”*.

“Non-Registered Victory Shareholder” has the meaning ascribed to it under the heading *“General Information Concerning the Victory Meeting and Voting – Information for Beneficial Shareholders”*.

“Non-Resident Holder” has the meaning ascribed to it under the heading *“Certain Canadian Federal Income Tax Considerations”*.

“Non-U.S. Holder” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations”*.

“Notice of Dissent” means a notice of dissent duly and validly given by a Registered Nevada King Shareholder exercising Dissent Rights as contemplated in the Plan of Arrangement and the Interim Order.

“OBO” has the meaning ascribed to it under the heading *“General Information Concerning the Victory Meeting and Voting – Information for Beneficial Shareholders”*.

“Outside Date” means April 15, 2021, or such later date as may be agreed to in writing by the Parties;

“Palisades” means Palisades Goldcorp Ltd.

“Parties” means Victory and Nevada King and **“Party”** means either of them.

“Petition” means the Notice of Hearing of Petition for the Final Order.

“Plan of Arrangement” means the plan of arrangement, substantially in the form of Appendix C hereto, and any amendments or variations thereto made in accordance with Section 8.3 of the Arrangement Agreement or the Plan of Arrangement or at the direction of the Court.

“Private Placement” means the non-brokered private placement conducted by Victory of Victory Subscription Receipts convertible into Victory Shares or Victory Shares (without any associated warrants or other convertible securities), for gross proceeds of a minimum of \$8 million at a subscription price of at least \$0.50 per Victory Share, which will be conducted on a post-closing basis such that the Victory Shares received by subscribers to the Private Placement will not be included in the calculation of the Exchange Ratio (as defined in the Plan of Arrangement).

“Proposed Amendments” has the meaning ascribed to it under the heading *“Certain Canadian Federal Income Tax Considerations”*.

“QEF” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Nevada King is Classified as a PFIC”*.

“QEF Election” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations – Certain U.S. Federal Income Tax Consequences of the Arrangement – Tax Consequences if Nevada King is Classified as a PFIC”*.

“Qualified Dividends” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations – Ownership of Victory Shares – Distributions with Respect to Victory Shares”*

“RDSP” has the meaning ascribed to it under the heading *“Eligibility for Investment”*.

“Record Date” means February 23, 2021.

“Registered Nevada King Shareholder” means a Nevada King Shareholder whose Nevada King Shares are registered in the name of such Nevada King Shareholder in the records of Nevada King.

“Registered Shareholders” means the Registered Nevada King Shareholders and Registered Victory Shareholders.

“Registered Victory Shareholder” means a Victory Shareholder whose Victory Shares are registered in the name of such Victory Shareholder in the records of Victory.

“Resident Holder” has the meaning ascribed to it under the heading *“Certain Canadian Federal Income Tax Considerations”*.

“RESP” has the meaning ascribed to it under the heading *“Eligibility for Investment”*.

“RRIF” has the meaning ascribed to it under the heading *“Eligibility for Investment”*.

“RRSP” has the meaning ascribed to it under the heading *“Eligibility for Investment”*.

“SEC” means the United States Securities and Exchange Commission.

“Section 3(a)(10) Exemption” means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

“Securities Laws” means the *Securities Act* (British Columbia) and the U.S. Securities Act, together with all other applicable state, federal and provincial Securities Laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

“SEDAR” means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* and available for public view at www.sedar.com.

“Shareholders” means, collectively, the Victory Shareholders and Nevada King Shareholders.

“Shares” means, collectively, the Victory Shares and Nevada King Shares.

“Subscription Price” means \$0.55 per Victory Subscription Receipt.

“Subscription Receipt Agreement” means the agreement entered into between Victory and Alliance for the issuance of the Victory Subscription Receipts.

“Subsidiary PFIC” has the meaning ascribed to it under the heading “*Certain United States Federal Income Tax Considerations – Ownership of Victory Shares – PFIC Rules Related to the Ownership and Disposition of Victory Shares*”.

“Superior Proposal” means any bona fide Acquisition Proposal made in writing by a third party or third parties acting jointly or in concert with one another, who deal at arm’s length to Victory or Nevada King, as the case may be, after the date hereof that, in the good faith determination of the Victory Board or the Nevada King Board, as applicable, after receipt of advice from its outside financial advisor and legal counsel: (i) is reasonably capable of being completed in accordance with its terms without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (ii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Victory Board or Nevada King Board, as the case may be, acting reasonably; (iii) is not subject to a due diligence or access condition; (iv) did not result from a material breach of Section 7.2 of the Arrangement Agreement, by the receiving Party or its representatives; (v) in the case of a transaction that involves the acquisition of common shares of a Party, is made available to all Victory Shareholders or Nevada King Shareholders, as the case may be, on the same terms and conditions; (vi) failure to recommend such Acquisition Proposal to the Victory Shareholders or Nevada King Shareholders, as the case may be, would be inconsistent with the Victory Board’s fiduciary duties or the Nevada King Board’s fiduciary duties, respectively; and (vii) taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to its shareholders, taken as a whole, from a financial point of view, than the Arrangement (after taking into account any adjustment to the terms and conditions of the Arrangement proposed by the other Party pursuant to Section 7.3.3 of the Arrangement Agreement).

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

“Taxes” mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers’ compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

“Termination Fee” has the meaning ascribed to it in Section 7.4.4(a) of the Arrangement Agreement.

“TFSA” has the meaning ascribed to it under the heading *“Eligibility for Investment in Canada”*.

“TSXV” means the TSX Venture Exchange.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States and the District of Colombia.

“U.S. Exchange Act” means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder.

“U.S. Holder” has the meaning ascribed to it under the heading *“Certain United States Federal Income Tax Considerations”*.

“U.S. Securities Act” means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

“U.S. Tax Code” means the United States Internal Revenue Code of 1986, as amended.

“Victory” means Victory Metals Inc., a company existing under the BCBCA.

“Victory Arrangement Resolution” means the special resolution of the Victory Shareholders approving the Arrangement to be considered at the Victory Meeting, substantially in the form and content of Appendix A hereto.

“Victory Board” means the board of directors of Victory as the same is constituted from time to time.

“Victory Fairness Opinion” means the opinion dated November 16, 2020 provided by Fort Capital to the effect that as of the date of such opinion, subject to the assumptions and limitations set out therein, the consideration to be received by the Nevada King Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Victory Shareholders.

“Victory Lock-Up Agreements” means the voting agreements (including all amendments thereto) between Victory and the Nevada King Locked-up Shareholders.

“Victory Locked-Up Shareholders” means each of the senior officers and directors of Victory and Palisades.

“Victory Meeting” means the annual and special meeting of the Victory Shareholders, including any adjournment or postponement thereof, to be called and held to consider and, if thought appropriate, approve the Victory Arrangement Resolution and any other matters as may be set out in the Circular and agreed to in writing by Nevada King, acting reasonably.

“Victory Notice of Meeting” means the Notice of Annual and Special Meeting of Victory Shareholders accompanying this Circular.

“Victory Options” means the outstanding options to purchase Victory Shares granted under the Victory Stock Option Plan and otherwise.

“Victory Shareholder Approval” means the approval of the Victory Arrangement Resolution by (i) a simple majority of the votes cast in respect of the Victory Arrangement Resolution by Victory Shareholders present in person or by proxy at the Victory Meeting, as required by the TSXV and (ii) minority approval in accordance with Section 8.1 of MI 61-101.

“Victory Shareholders” means the holders of outstanding Victory Shares.

“Victory Shares” means the common shares in the capital of Victory as constituted on the date hereof.

“Victory Special Committee” means the special committee of the Victory Board consisting of two independent directors, Paul Matysek, Executive Chairman and Douglas Forster, also with a mandate to assess and examine the proposed business combination with Nevada King, or an alternative to a transaction with Nevada King.

“Victory Stock Option Plan” means the stock option plan adopted by the Victory Shareholders on October 10, 2019, as amended.

“Victory Subscription Receipts” means the subscription receipts issued pursuant to the Private Placement.

“VIF” means voting instruction form.

CONSENT OF FORT CAPITAL PARTNERS

To: The Board of Directors of Victory Metals Inc.

We hereby consent (i) to the references within the joint management information circular of Victory Metals Inc. ("**Victory**") and Nevada King Mining Ltd. ("**Nevada King**") dated February 24, 2021 (the "**Circular**") to our fairness opinion dated November 16, 2020, which we prepared for the Board of Directors of Victory in connection with the binding letter agreement dated November 16, 2020 between Victory and Nevada King and (ii) to the inclusion of the full text of the Victory Fairness Opinion as Appendix D to this Circular and to the filing of the Victory Fairness Opinion in this Circular with the applicable securities regulatory authorities. In providing this consent, we do not intend that any persons other than the Board of Directors of Victory rely upon the Victory Fairness Opinion.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in this Circular.

"Fort Capital Partners"

Fort Capital Partners

February 24, 2021

APPENDIX A
VICTORY ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the arrangement (the “**Arrangement**”) under Section 288 of the Business Corporations Act (British Columbia) (the “**BCBCA**”) involving Victory Metals Inc. (“**Victory**”) and Nevada King Mining Ltd. (“**Nevada King**”) and shareholders of Nevada King, all as more particularly described and set forth in the joint management information circular (the “**Circular**”) of Victory and Nevada King accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
2. the arrangement agreement (the “**Arrangement Agreement**”) between Victory and Nevada King dated December 14, 2020 and all the transactions contemplated therein, the full text of which is attached as a schedule to the Circular, the actions of the directors of Victory in approving the Arrangement and the actions of the directors and officers of Victory in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
3. the plan of arrangement (the “**Plan of Arrangement**”) implementing the Arrangement, the full text of which is set out in Schedule “A” to the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
4. the performance by Victory of its obligations under the Arrangement Agreement, including the issuance of the Consideration Shares (as defined in the Arrangement Agreement) to the holders of common shares of Nevada King as fully paid and non-assessable shares in the capital of Victory; all pursuant to the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, is hereby authorized, approved and adopted;
5. notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Victory or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Victory are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Victory to:
 - (a) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;
6. any director or officer of Victory is hereby authorized and directed for and on behalf of Victory to execute, whether under corporate seal of Victory or otherwise, and to deliver such other documents as are necessary or desirable in accordance with the Arrangement Agreement for filing; and
7. any one or more directors or officers of Victory is hereby authorized, for and on behalf and in the name of Victory, to execute and deliver, whether under corporate seal of Victory or otherwise, all such agreements, forms, waivers, notices, certificate,

confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of Victory, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Victory; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX B
NEVADA KING ARRANGEMENT RESOLUTION

A. Nevada King Arrangement Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the arrangement (the “**Arrangement**”) under Section 288 of the Business Corporations Act (British Columbia) (the “**BCBCA**”) involving Victory Metals Inc. (“**Victory**”) and Nevada King Mining Ltd. (“**Nevada King**”) and shareholders of Nevada King, all as more particularly described and set forth in the joint management information circular (the “**Circular**”) of Victory and Nevada King accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
2. the arrangement agreement (the “**Arrangement Agreement**”) between Victory and Nevada King dated December 14, 2020 and all the transactions contemplated therein, the full text of which is attached as a schedule to the Circular, the actions of the directors of Nevada King in approving the Arrangement and the actions of the directors and officers of Nevada King in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
3. the plan of arrangement (the “**Plan of Arrangement**”) of Nevada King implementing the Arrangement, the full text of which is set out in Schedule “A” to the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
4. notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Nevada King or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Nevada King are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Nevada King to:
 - (a) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;
5. any director or officer of Nevada King is hereby authorized and directed for and on behalf of Nevada King to execute, whether under corporate seal of Nevada King or otherwise, and to deliver such other documents as are necessary or desirable in accordance with the Arrangement Agreement for filing; and
6. any one or more directors or officers of Nevada King is hereby authorized, for and on behalf and in the name of Nevada King, to execute and deliver, whether under corporate seal of Nevada King or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the

Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of Nevada King, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Nevada King; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX C
PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

“affiliate” shall have the meaning ascribed thereto in the *Securities Act* (British Columbia);

“Arrangement” means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto in accordance with section 8.3 of the Arrangement Agreement or Section 6.1 or at the direction of the Court in the Final Order with the prior written consent of Nevada King and Victory, each acting reasonably;

“Arrangement Agreement” means the arrangement agreement dated December 14, 2020 between Victory and Nevada King, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

“Arrangement Resolution” means the special resolution of the Nevada King Shareholders approving the Arrangement to be considered at the Nevada King Meeting, substantially in the form and content of Schedule B to the Arrangement Agreement;

“BCBCA” means the *Business Corporations Act* (British Columbia);

“Business Day” means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and Vancouver, British Columbia are open for the conduct of business;

“Consideration” means the consideration to be received by the Nevada King Shareholders pursuant to this Plan of Arrangement for their Nevada King Shares, consisting of the Exchange Ratio number of Victory Shares for each Nevada King Share;

“Court” means the Supreme Court of British Columbia;

“Depository” means any trust company, bank or financial institution agreed to in writing between Victory and Nevada King for the purpose of, among other things, exchanging certificates representing Nevada King Shares for the Consideration in connection with the Arrangement;

“Dissent Rights” shall have the meaning ascribed thereto in Section 4.1;

“Dissenting Shareholder” means a registered holder of Nevada King Shares (other than Victory and its affiliates) that has duly and validly exercised their Dissent Rights in strict compliance with the dissent procedures set out under Division 2 of Part 8 of the BCBCA, as modified by Section 4.1, the Interim Order and the Final Order and that has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and that is ultimately determined to be entitled to be paid the fair value of its Nevada King Shares;

“DRS” shall have the meaning ascribed thereto in Section 3.2;

“Effective Date” means the date upon which the Arrangement becomes effective as set out in the Arrangement Agreement;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date;

“Exchange Ratio” means that number of Victory Shares for each Nevada King Share that will result in the Nevada King Shareholders immediately prior to the Effective Time owning, in aggregate, 50% of the issued and outstanding Victory Shares immediately after the Effective Time on a non-diluted basis and excluding from such calculation any securities issued or to be issued pursuant to the Private Placement;

“Final Order” means the final order of the Court pursuant to Section 291 of the BCBCA, approving the Arrangement, in form and substance acceptable to both Nevada King and Victory, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Nevada King and Victory, each acting reasonably) at any time prior to the Effective Date or, if appealed, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both Nevada King and Victory, each acting reasonably);

“final proscription date” shall have the meaning ascribed thereto Section 5.5;

“Former Nevada King Shareholders” means the holders of Nevada King Shares immediately prior to the Effective Time;

“Interim Order” means the interim order of the Court, after being informed of the intention to rely upon the exemption from the registration requirements under section 3(a)(10) of the U.S. Securities Act with respect to the issuance of Victory Shares issuable as Consideration, providing for, among other things, the calling and holding of the Nevada King Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Nevada King and Victory, each acting reasonably;

“Liens” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“Nevada King” means Nevada King Mining Ltd.;

“Nevada King Meeting” means the special meeting of the Nevada King Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and such other matters as may be determined;

“Nevada King Optionholder” means the holders of the Nevada King Options;

“Nevada King Options” means the outstanding options to purchase Nevada King Shares granted under the Nevada King Stock Option Plan;

“Nevada King Shareholders” means the holders of the Nevada King Shares;

“Nevada King Shares” means the common shares of Nevada King, as currently constituted;

“Parties” means, Nevada King and Victory and **“Party”** means any of them;

“Plan of Arrangement” means this plan of arrangement and any amendments or variations hereto made in accordance with section 8.3 of the Arrangement Agreement or Section 6.1 of this Plan of Arrangement or at the direction of the Court;

“Private Placement” means the non-brokered private placement conducted by Victory of Victory Subscription Receipts convertible into Victory Shares or Victory Shares (without any associated warrants or other convertible securities), for gross proceeds of a minimum of \$8 million at a subscription price of at least \$0.50 per Victory Share, which will be conducted on a post-Arrangement basis such that the Victory Shares received by subscribers to the Private Placement will not be included in the calculation of the Exchange Ratio;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“Transmittal Letter” means the letter of transmittal sent to holders of Nevada King Shares for use in connection with the Arrangement;

“U.S. Securities Act” means the United States Securities Act of 1933;

“U.S. Tax Code” means the United States Internal Revenue Code of 1986;

“Victory” means Victory Metals Inc.; and

“Victory Shares” means the common shares in the capital of Victory as constituted on the date hereof.

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto. Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section, by number or letter or both refer to the Article or Section, respectively, bearing that designation in this Plan of Arrangement.

1.3 Number, Gender and persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Plan of Arrangement to a statute includes all rules and regulations made or promulgated thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

1.7 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.8 Binding Effect

This Plan of Arrangement will become effective at the Effective Time and shall be binding upon Victory, Nevada King, the Nevada King Shareholders.

ARTICLE 2 **ARRANGEMENT AGREEMENT**

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

ARTICLE 3 **ARRANGEMENT**

3.1 Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) each Nevada King Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Nevada King and Nevada King shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and: (i) the name of such holder shall be removed from the central securities register as a holder of Nevada King Shares and such Nevada King Shares shall be cancelled and cease to be outstanding; and (ii) such Dissenting Shareholders will cease to have any rights as Nevada King Shareholders other than the right to be paid the fair value for their Nevada King Shares by Nevada King; and
- (b) each Nevada King Share (other than a Nevada King Share held by a Dissenting Shareholder or a Nevada King Share held by Victory or any subsidiary of Victory) shall be deemed to be transferred to Victory and, in exchange for and in consideration therefor, Victory shall issue the Consideration for each Nevada King Share, subject to Section 3.3 and Article 5, and upon such exchange:
 - a. each such holder of Nevada King Shares shall cease to be the holder thereof and to have any rights as a Nevada King Shareholder other than the right to be paid the Consideration for their Nevada King Shares in accordance with this Plan of Arrangement;
 - b. each such exchanged Nevada King Share shall be cancelled, and the holders of such exchanged Nevada King Shares shall be removed from Nevada King's register of holders of Nevada King Shares;
 - c. Victory shall be deemed to be the transferee of such Nevada King Shares free and clear of all Liens, and shall be entered in the register of the Nevada King Shares maintained by or on behalf of Nevada King; and
 - d. each holder of such exchanged Nevada King Shares shall be entered in Victory's central securities register in respect of the Victory Shares which such holder is entitled to receive in accordance with this Section 3.2(s).

3.2 Effective Time Procedures

- (a) Following the receipt of the Final Order and prior to the Effective Date, Victory shall deliver or arrange to be delivered to the Depositary certificates or direct registration ("**DRS**") advice-statements representing the Victory Shares required to be issued to Former Nevada King Shareholders in accordance with the provisions of Section 3.1, which certificates or DRS advice-statements shall be held by the Depositary as agent and nominee for such Former Nevada King Shareholders for distribution to such Former Nevada King Shareholders in accordance with the provisions of Article 5.
- (b) Subject to the provisions of Article 5, and upon return of a properly completed Transmittal Letter by a registered Former Nevada King Shareholder together with certificates representing Nevada King Shares and such other documents as the Depositary may require, Former Nevada King Shareholders shall be entitled to receive delivery of certificates or DRS advice-statements representing the Victory Shares to which they are entitled pursuant to Section 3.1.

3.3 Victory Shares

- (a) No fractional Victory Shares shall be issued to Former Nevada King Shareholders. The number of Victory Shares to be issued to Former Nevada King Shareholders shall be rounded down to the nearest whole Victory Share in the event that a Former Nevada King Shareholder is entitled to a fractional share representing less than a whole Victory Share; and
- (b) All Victory Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for the purposes of the BCBCA.

ARTICLE 4 DISSENT RIGHTS

4.1 Dissent Rights

Registered Nevada King Shareholders (other than Victory and its affiliates) may exercise dissent rights with respect to Nevada King Shares held by such Dissenting Shareholders (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Division 2 of Part 8 of the BCBCA, as modified by the Interim Order, the Final Order and this Section 4.1; provided that the written notice setting forth the objection of such Registered Nevada King Shareholder to the Arrangement Resolution must be received by Nevada King not later than 5:00 p.m. (Vancouver time) on the day that is two Business Days immediately preceding the date of the Nevada King Meeting (as it may be adjourned or postponed from time to time). Each Dissenting Shareholder who duly exercises its Dissent Rights in accordance with this Section 4.1, shall be deemed to have transferred all Nevada King Shares held by such Dissenting Shareholder and in respect of which Dissent Rights have been validly exercised, to Nevada King, free and clear of all liens, claims and encumbrances, as provided in Section 3.1(r) and if such Dissenting Shareholder:

- (a) is ultimately entitled to be paid fair value for its Nevada King Shares, such Dissenting Shareholder: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(r)); (ii) will be entitled to be paid the fair value of such Nevada King Shares by Nevada King, which fair value, notwithstanding anything to the contrary contained in section 245 of the BCBCA, shall be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights in respect of such Nevada King Shares; or
- (b) is ultimately is not entitled, for any reason, to be paid fair value for its Nevada King Shares, such Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as a Nevada King Shareholder that has not exercised Dissent Rights and shall be entitled to receive only the Consideration contemplated by Section 3.1(s) that such Dissenting Shareholder would have received pursuant to the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights.

4.2 Recognition of Dissenting Holders

- (a) In no circumstances shall Victory, Nevada King or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of the Nevada King Shares in respect of which such Dissent Rights are purported to be exercised.
- (b) For greater certainty, in no case shall Victory, Nevada King or any other person be required to recognize any Dissenting Shareholder as a holder of Nevada King Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 3.1(r), and the name of such Dissenting Shareholder shall be removed from the register of Nevada King Shareholders as to those Nevada King Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 3.1(r) occurs. In addition to any other restrictions under Division 2 of Part 8 of the BCBCA, none of the following persons shall be entitled to exercise Dissent Rights: (i) any Nevada King Optionholder; and (ii) any Nevada King Shareholder who votes or has instructed a proxyholder to vote such Nevada King Shareholder's Nevada King Shares in favour of the Arrangement Resolution.

ARTICLE 5 DELIVERY OF VICTORY SHARES

5.1 Delivery of Victory Securities

Upon surrender to the Depositary for cancellation of a certificate or DRS advice-statement that immediately before the Effective Time represented one or more outstanding Nevada King Shares that were exchanged for Victory Shares in accordance with Section 3.1, together with a duly completed Transmittal Letter and such other documents and instruments as would have been required to effect the transfer of the Nevada King Shares formerly represented by such certificate or DRS advice-statement under the BCBCA and the constating documents of Nevada King and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate or DRS advice-statement representing the Victory Shares that such holder is entitled to receive in accordance with Section 3.1.

After the Effective Time and until surrendered for cancellation as contemplated by this Section 5.1, each certificate or DRS advice-statement that immediately prior to the Effective Time represented one or more Nevada King Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate or DRS advice-statement representing Victory Shares that the holder of such certificate is entitled to receive in accordance with Section 3.1.

5.2 Lost Certificates

If any certificate that immediately prior to the Effective Time represented one or more outstanding Nevada King Shares that were exchanged in accordance with Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing Victory Shares that such holder is entitled to receive in accordance with Section 3.1. When authorizing such delivery of a

certificate representing Victory Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such Victory Shares is to be delivered shall, as a condition precedent to the delivery of such Victory Shares, give a bond satisfactory to Victory and the Depositary in such amount as Victory and the Depositary may direct, or otherwise indemnify Victory and the Depositary in a manner satisfactory to Victory and the Depositary, against any claim that may be made against Victory or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the constating documents of Nevada King.

5.3 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Victory Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate or DRS advice-statement that, immediately prior to the Effective Time, represented outstanding Nevada King Shares unless and until the holder of such certificate or DRS advice-statement shall have complied with the provisions of Section 5.1 or Section 5.2. Subject to applicable law and to Section 5.4, at the time of such compliance, there shall, in addition to the delivery of a certificate representing Victory Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Victory Shares.

5.4 Withholding Rights

Victory, Nevada King and the Depositary, as applicable, shall be entitled to deduct and withhold, from any amounts payable or otherwise deliverable to any person under this Plan of Arrangement and from all dividends or other distributions otherwise payable to any Former Nevada King Shareholders, such amounts as Victory, Nevada King or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to such person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

5.5 Limitation and Proscription

To the extent that a Former Nevada King Shareholder shall not have complied with the provisions of Section 5.1 or Section 5.2 on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Victory Shares that such Former Nevada King Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificates or DRS advice-statements representing such Victory Shares shall be delivered to Victory by the Depositary and the share certificates shall be cancelled by Victory, and the interest of the Former Nevada King Shareholder in such Victory Shares shall be terminated as of such final proscription date.

ARTICLE 6

AMENDMENTS

6.1 Amendments to Plan of Arrangement

Victory and Nevada King reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Victory and Nevada King, (iii) filed with the Court and, if made following the Nevada King Meeting, approved by the Court, and (iv) communicated to holders or former holders of Nevada King Shares if and as required by the Court.

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Nevada King at any time prior to the Nevada King Meeting provided that Victory shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Nevada King Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Nevada King Meeting shall be effective only if: (i) it is consented to in writing by each of Victory and Nevada King; and (ii) if required by the Court, it is consented to by the Nevada King Shareholders voting in the manner directed by the Court.

ARTICLE 7

FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Victory and Nevada King will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

ARTICLE 8

U.S. SECURITIES LAW MATTERS

8.1 U.S. Securities Law Matters

Notwithstanding any provision herein to the contrary, this Plan of Arrangement will be carried out with the intention that all Victory Shares to be issued to Nevada King Shareholders in exchange for their Nevada King Shares pursuant to this Plan of Arrangement, as applicable, will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by section 3(a)(10) thereof and applicable state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement

APPENDIX D
VICTORY FAIRNESS OPINION

Please see attached.



November 16, 2020

The Special Committee of the Board of Directors & the Board of Directors
Victory Metals Inc.
PO Box 48264, Bentall Centre
Vancouver, BC V7X 1A1

To the Members of the Special Committee of the Board of Directors and the Board of Directors:

Fort Capital Partners ("**Fort Capital**", "**we**" or "**us**") understands that Victory Metals Inc. ("**Victory**" or the "**Company**") and Nevada King Mining Ltd. ("**Nevada King**") have entered into a binding letter agreement dated November 16, 2020 (the "**Agreement**") pursuant to which, among other things, Victory will acquire all of the issued and outstanding common shares of Nevada King (the "**Transaction**"). In accordance with the Agreement, the exchange ratio (the "**Exchange Ratio**") will be set such that existing shareholders of Victory and Nevada King immediately prior to the completion of the Transaction will each hold approximately 50% of the merged entity ("**New NK**") following completion of the Transaction but prior to giving effect to the concurrent financing. As a condition precedent to the Agreement, a concurrent financing (the "**Financing**") raising a minimum of \$8.0 million at a minimum price of \$0.50 per Victory share must take place. Based on the current shares outstanding of Victory and Nevada King, the minimum Financing price, and assuming only the minimum gross proceeds of \$8.0 million are subscribed for, investors participating in the Financing would own approximately 7.6% of New NK, and existing Victory shareholders and Nevada King shareholders would each hold approximately 46.2% of New NK.

Fort Capital also understands that the transactions contemplated by the Agreement are proposed to be effected by way of a plan of arrangement under the *Business Corporations Act (British Columbia)* (the "**Arrangement**"). The terms and conditions of the Arrangement will be summarized in Victory's management information circular (the "**Circular**"), which will be delivered to shareholders of Victory for the shareholder meetings required in connection with the Transaction. The above description is summary in nature and the specific terms and conditions of the Arrangement are as set forth in the Agreement.

Background and Engagement of Fort Capital

Fort Capital was first contacted with regards to a potential transaction involving Victory and Nevada King on November 4, 2020. Fort Capital was formally retained by a special committee of the board of directors of Victory (the "**Special Committee**") on November 6, 2020 pursuant to an engagement letter (the "**Engagement Agreement**") to provide an opinion (the "**Opinion**") as to the fairness, from a financial point of view, of the Transaction to the shareholders of Victory, other than Palisades Goldcorp Ltd. ("**Palisades**"). On November 16, 2020, the Special Committee requested that Fort Capital provide the Opinion, which we issued on that day.

The terms of the Engagement Agreement provide that Fort Capital will be paid an engagement fee and a fixed fee upon delivery of a fairness opinion. There are no fees payable to Fort Capital under the Engagement Agreement that are contingent upon the conclusion reached by Fort Capital, or upon the successful completion of the Arrangement or any other transaction. In addition, pursuant to the Engagement Agreement, Fort Capital is to be reimbursed for our reasonable out-of-pocket expenses and to be indemnified by Victory in certain circumstances.

The Special Committee has not instructed Fort Capital to prepare, and Fort Capital has not prepared, a formal valuation or appraisal of Nevada King or any of its assets, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the Victory shares may trade at any time. Fort Capital has, however, conducted such analyses as we considered necessary in the circumstances to prepare and deliver the Opinion. While the Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada (“IIROC”), Fort Capital is not a member of IIROC and IIROC has not been involved in the preparation or review of the Opinion.

Credentials and Independence of Fort Capital

Fort Capital is an independent investment banking firm which provides financial advisory services to corporations, business owners, and investors. Members of Fort Capital are professionals that have been financial advisors in a significant number of transactions involving public and private companies in North America and have experience in preparing fairness opinions and valuations. The opinions expressed herein are the opinions of Fort Capital, and the form and content hereof have been approved for release by Fort Capital.

Neither Fort Capital, nor any of our affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of Victory, Nevada King, or any of their respective associates or affiliates (collectively, the “**Interested Parties**”). Fort Capital is not acting as an advisor to Victory or any Interested Party in connection with any matter, other than acting as advisor to the Special Committee as described herein.

Other than our engagement by the Special Committee on behalf of Victory to provide the Opinion, Fort Capital has not been engaged to provide any financial advisory services nor have we participated in any financings involving the Interested Parties within the past two years.

Fort Capital does not have a financial interest in the completion of the Arrangement and the fees paid to Fort Capital in connection with our engagement do not give Fort Capital any financial incentive in respect of the conclusion reached in the Opinion or in the outcome of the Arrangement. There are no understandings, agreements or commitments between Fort Capital and any of the Interested Parties with respect to any future financial advisory or investment banking business. Even though we have not provided a valuation, Fort Capital is of the view that we would qualify as an “independent valuator” (as the term is described in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) with respect to all Interested Parties.

Scope of Review

In preparing the Opinion, Fort Capital has, among other things, reviewed, considered and relied upon, without attempting to verify independently the completeness or accuracy thereof, the following:

- a) the draft of the Agreement dated November 13, 2020 between the Company and Nevada King;
- b) certain publicly available information relating to the business, operations, financial condition and trading history of the Company and other selected public companies that Fort Capital considered relevant;
- c) consolidated annual financial statements of the Company for the years ended March 31, 2020 and 2019, together with the notes thereto and the auditors' reports thereon;
- d) management's discussion and analysis of the results of operations and financial condition for the Company for the years ended March 31, 2020 and 2019;
- e) interim financial statements of the Company for the periods ending June 30, 2020 and September 30, 2020 along with the management's discussion and analysis for those periods;
- f) technical report (NI 43-101) dated September 30, 2018 on the Iron Point Vanadium Deposit, Humboldt County, Nevada;
- g) technical report (NI 43-101) dated October 29, 2020 on the Atlanta Property, Lincoln County, Nevada;
- h) draft financial statements for Nevada King as prepared by management for the period ending September 30, 2020;
- i) Nevada King update letter dated October 27, 2020 including list of lode claims;
- j) Nevada King shareholder presentation dated October 2020;
- k) certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;
- l) discussions with management of the Company and Nevada King relating to the current business, plans, financial conditions and prospects of the Company and Nevada King;
- m) the trading history of the Company and other selected public companies we considered relevant;
- n) public information with respect to precedent transactions we considered relevant;
- o) various research publications prepared by industry and equity research analysts regarding selected entities we considered relevant;
- p) representations contained in separate certificates dated November 13, 2020 addressed to Fort Capital from senior officers of the Company as to the completeness, accuracy and fair presentation of the information upon which the Opinion is based;
- q) discussions with senior management of the Company and Nevada King with respect to the information referred to above and other issues deemed relevant, and;
- r) such other information, investigations, analyses and discussion as we considered necessary or

appropriate in the circumstances.

Prior Valuations

The Company has represented to Fort Capital that, to the best of its knowledge, there have been no prior valuations (as defined for the purposes of MI 61-101) of Victory or any of its material assets or subsidiaries prepared within the past twenty-four (24) months.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations set forth below.

Fort Capital has, subject to the exercise of our professional judgment, relied, without independent verification, upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions and representations we obtained from public sources, or that was provided to us by Victory, Nevada King and their associates, affiliates and advisors (collectively, the “**Information**”), and we have assumed that the Information did not contain any misstatement of a material fact or omit to state any material fact or any fact necessary to be stated therein to make that information not misleading. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. With respect to operating and financial information provided to Fort Capital by management of Victory and Nevada King and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the reasonable estimates and judgments of management teams of Victory and Nevada, at the time and in the circumstances in which the information was prepared, as to the matters covered thereby, and in rendering the Opinion we express no view as to the reasonableness of such estimates or judgments or the assumptions on which they are based.

In preparing the Opinion, Fort Capital has assumed that the terms of conditions of the Arrangement will be consistent with those of the Agreement and that Victory will be entitled to fully enforce its rights under the Agreement. Fort Capital has also assumed that the Arrangement will be consummated in accordance with the terms of the Agreement without any additional waiver of, or amendment to, any term or condition that is in any way material to Fort Capital’s analysis.

Senior management of Victory have represented to Fort Capital in a letter delivered on November 13, 2020 that, among other things and to their knowledge, (a) the Company has no information or knowledge of any facts not contained in or referred to in the Information that would reasonably be expected to affect the Opinion; (b) with the exception of forecasts, projections, estimates and budgets, the Information provided orally by, or in the presence of, an officer or employee of Victory or in writing by Victory or any of its subsidiaries or their respective agents to Fort Capital for the purposes of preparing the Opinion was, at the date the Information was provided to Fort Capital, or, in the case of historical Information, was, at the date of preparation, to the best of their knowledge, information and belief after due inquiry, complete, true and correct in all material respects, and does not or, in the case of historical Information, did not, contain a misrepresentation; (c) since the dates on which the Information was provided to Fort Capital, except as disclosed in writing to Fort Capital, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Victory, or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a

material effect on the Opinion; and (d) any portions of the Information provided to Fort Capital which constitute forecasts, projections, estimates or budgets were reasonably prepared on bases reflecting the best then currently available assumptions, estimates and judgments of management of Victory and its subsidiaries and were not, as of the date they were prepared, in the reasonable belief of management of Victory, misleading in any respect.

The Opinion is rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Victory and its subsidiaries and affiliates, as they were reflected in the Information. In our analyses and in preparing the Opinion, Fort Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters which we believe to be reasonable and appropriate in the exercise of our professional judgment, many of which are beyond the control of Fort Capital or any party involved in the Arrangement.

For the purposes of rendering the Opinion, Fort Capital has also assumed that the representations and warranties of each party contained in the Agreement and the Arrangement are true and correct in all material respects and that each party will perform all of the covenants and agreements required to be performed by it under the Agreement, that Victory will be entitled to fully enforce its rights under the Agreement, and that Victory, and the Victory Shareholders, will receive the benefits therefrom in accordance with the terms thereof.

The Opinion has been provided for the sole use and benefit of the Special Committee and the Board of Directors in connection with, and for the purpose of, its consideration of the Agreement and may not be relied upon by any other person. The Opinion does not constitute a recommendation to any Victory Shareholder as to how such holder should vote or act with respect to the Transaction. The Opinion is given as of the date hereof, and Fort Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Fort Capital after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Fort Capital reserves the right to change, modify or withdraw the Opinion.

The Opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to Victory or Victory's underlying business decision to effect the Transaction. Fort Capital was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination transaction with, Victory or any other alternative transaction.

Fort Capital believes that our analyses must be considered as a whole, and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Overview of Victory

Note that the functional currency of Victory is Canadian Dollars and, unless otherwise noted, all figures referenced in this Opinion are in Canadian dollars unless otherwise noted.

Victory is a Vancouver-based vanadium exploration company. Victory's principal asset is the Iron Point vanadium exploration project (the "**Iron Point Project**") located in Humboldt County, Nevada.

The Iron Point Project is a near-surface, low grade, bulk-tonnage vanadium mineralization that is amenable to open-pit mining and heap-leach processing. Maiden 43-101 resource estimate is currently underway, however remains subject to further metallurgical study expected in early 2021.

In May of 2019, Victory announced an option agreement with Ethos Gold Corp. ("**Ethos**") (TSX-V:ECC), whereby Ethos can earn a 50% interest in the gold and silver rights at the Iron Point Project by spending \$5M over three years, with a minimum of \$1M in the first year.

As of the close of market on November 13, 2020, Victory had a market capitalization of \$62.2 million and an enterprise value of \$58.4 million. The documents filed by Victory with the securities commissions in Canada are available on the System for Electronic Document Analysis and Retrieval (SEDAR).

Figure 1 – Victory Historical Share Price Performance¹



¹ S&P Capital IQ and Public Disclosure and relevant transaction documentation

Financial Overview

Victory's reported consolidated financial position as at September 30, 2020 is summarized below.

Figure 2 – Statement of Financial Position as at September 30, 2020 (C\$000's)²

Assets		Liabilities & Shareholders' Equity	
Current Assets		Current Liabilities	
Cash	\$1,626	Accounts payable and accrued liabilities	\$165
GST receivable	\$8	Total Current Liabilities	\$165
Prepaid expenses	\$78		
Total Current Assets	\$1,712	Equity	
		Share Capital	\$37,440
Non-Current Assets		Reserves	\$2,434
Exploration and evaluation assets	\$7,848	Subscriptions received in advance	\$800
		Deficit	(\$31,279)
Total Assets	\$9,560	Total Liabilities & Shareholders' Equity	\$9,560

Victory remains an early stage exploration and development company and will require significant additional financing to develop and advance the Iron Point Project. While the Company continues to operate as a going concern, Victory's historical lack of cash flow generation indicates a need for significant debt and equity capital to advance the Iron Point Project into production.

Description of Nevada King

Nevada King is a Vancouver-based private company that was formed on February 12, 2020. Nevada King controls various projects within the Battle Mountain Trend, including the past producing Atlanta mine (the "Atlanta Project") and 8 properties contributing total of 51,173 acres. Nevada King's main focus is on acquiring land through staking, obtaining historic data, building a compelling exploration narrative and finding partners to assist them in advancing the properties.

Nevada King's flagship Atlanta Project is a past producing open pit mine that was acquired from Meadow Bay Gold in August 2019. Historical production at the Atlanta mine consisted of approximately 110,000 ounces of gold and 800,000 ounces of silver between 1978 and 1985. The draft technical report dated October 29, 2020 indicates an NI 43-101 compliant total resource (including measured, indicated and inferred resources) of approximately 602,000 ounces of gold and 5,460,000 ounces of silver.

Based on the July 7, 2020 financing price of \$0.70 per share Nevada King has a market capitalization of \$38.4 million and an enterprise value of \$36.2 million. The documents filed by Nevada King are available on Nevada King's website.

Approach to Fairness

In support of the Opinion, Fort Capital performed certain financial analyses with respect to the Company, based on methodologies and assumptions that we considered appropriate in the circumstances for the purposes of providing the Opinion. In the context of the Opinion, Fort Capital considered the following methodologies and factors:

² Victory Q3 2020 Financial Statements for the Interim Period Ended September 30, 2020

- Sum of the Parts analysis on both Victory and Nevada King;
- Comparable company trading analysis focusing on enterprise value to in-situ resources for the Atlanta Project, and enterprise value to claim acreage for the Iron Point Project and the remaining Nevada King claims;
- Precedent transaction analysis focusing on enterprise value to in-situ resources for the Atlanta Project, and enterprise value to claim acreage for the Iron Point Project and the remaining Nevada King claims; and,
- Other considerations we deemed relevant.

Based on the minimum price set for the Financing and assuming only the minimum gross proceeds of \$8.0 million are subscribed for, we understand that each holder of Nevada King shares shall be entitled to receive 1.842 shares of a Victory for each Nevada King Share held (the “**Consideration**”). The determined exchange ratio values Nevada King at \$0.92 per share (equity value of ~\$48.3 million) based on the assumed \$0.50 per share of Victory which is the minimum price being set for the Financing. Prior to giving effect to the Financing, the pro forma ownership of New NK will be 50% Victory and 50% Nevada King on a basic (non-diluted) basis.

Figure 3 – Transaction Overview³

Victory Shares Issued to Nevada King	(M)	96.6	
+ Nevada King Basic Shares	(M)	52.5	
Implied Exchange Ratio	(0.0x)	1.842x	
Victory Share Price ⁴	(C\$)	\$0.50	
Transaction Exchange Ratio	(0.0x)	1.842x	
Implied Consideration	(C\$)	\$0.92	
Premium/Discount to Last Financing ⁵	(%)	31.6%	
		Basic	FD - TSM
PF Victory Shares Outstanding	(M)	209.3	210.4
Existing Victory Shareholders	(M)	96.6	97.8
Nevada King Pro Forma Ownership in Victory	(M)	96.6	96.6
US\$6.1M Private Placement	(M)	16.0	16.0
Existing Victory Ownership in New NK	(%)	46.2%	46.5%
Nevada King Pro Forma Ownership in New NK	(%)	46.2%	45.9%
PP Shareholders Pro Forma Ownership in New NK	(%)	7.6%	7.6%

Fairness Considerations

Fort Capital’s assessment of the fairness of the Consideration to be paid by Victory to Nevada King shareholders pursuant to the Arrangement, from a financial point of view, was based upon several quantitative and qualitative factors including, but not limited to:

- the indicative value ranges as derived from the sum-of-the-parts analysis for Victory and Nevada King lie within the range of Victory’s proposed *pro forma* ownership of New NK;

³ S&P Capital IQ, Public Disclosure and Transaction Documentation

⁴ Based on minimum financing price

⁵ Last financing was completed at C\$0.70 per share

- (b) the relative contribution of indicative value ranges as derived from the sum-of-the parts analysis as well as the comparable company analysis and precedent transaction analysis compares favourably with Victory's shareholders proposed *pro forma* ownership of New NK;
- (c) the sum-of-the-parts analysis on the *pro forma* New NK after taking into account the proposed financing indicates accretion to underlying indicative value per share for Victory shareholders; and
- (d) the Transaction would provide for several enhanced benefits for Victory shareholders, including improved liquidity, stronger financial position and enhanced capital markets positioning.

Conclusion

For the purposes of rendering the Opinion as of the date hereof, Fort Capital has assumed that the terms of the Agreement are maintained in all material respects in the executed Arrangement Agreement and that Victory will be entitled to fully enforce its rights under the Arrangement Agreement. In addition, Fort Capital has also assumed that the financial condition of Nevada King, as provided in its audited financial statements to be included in the Circular, are materially the same as provided to Fort Capital in the draft financial statements prepared by management of Nevada King.

It is the opinion of Fort Capital Partners that, based upon the preceding analysis, assumptions, limitations and other relevant factors, the proposed Arrangement is fair, from a financial point of view, to the shareholders of Victory Metals Inc., other than Palisades.

Yours very truly,

A handwritten signature in black ink that reads "Fort Capital Partners". The signature is written in a cursive, flowing style.

FORT CAPITAL PARTNERS

**APPENDIX E
INTERIM ORDER**

Please see attached.



No. **S-211697**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
NEVADA KING MINING LTD.
and **VICTORY METALS INC.**

NEVADA KING MINING LTD.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE MASTER *Elwood*) **24/Feb/2021**
)
)

ON THE APPLICATION of the Petitioner, Nevada King Mining Ltd. ("**Nevada King**") for an Interim Order pursuant to its Petition filed on February 22, 2021.

[x] without notice coming on for hearing by MS Teams at 800 Smithe Street, Vancouver, British Columbia on February 24, 2021 and on hearing Alexandra Luchenko, counsel for the Petitioner and upon reading the Petition herein and the Affidavit of Michael Kanevsky sworn on February 22, 2021 and filed herein (the "**Kanevsky Affidavit**"); and upon being advised that it is the intention of Victory Metals Inc. ("**Victory Metals**") to rely upon Section 3(a)(10) of the United States *Securities Act* of 1933 (the "**1933 Act**") as a basis for an exemption from the registration requirements of the 1933 Act with respect to securities of Victory Metals issued under the proposed Plan of Arrangement based on the Court's approval of the Arrangement;

THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notices of Meetings and Joint

Management Information Circular concerning an arrangement involving Victory Metals Inc. and Nevada King Mining Ltd. (collectively, the "**Circular**") attached as Exhibit "B" to the Kanevsky Affidavit.

MEETING

2. Pursuant to Sections 186, 288, 289, 290 and 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**BCBCA**"), Nevada King is authorized and directed to call, hold and conduct a special meeting of the holders ("**Nevada King Shareholders**") of common shares in the capital of Nevada King ("**Nevada King Shares**") at 10:00 a.m. (Vancouver time) on March 31, 2021 (the "**Meeting**"), at 2600 – 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, whereat, among other things, the Nevada King Shareholders will be asked:

- (a) to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") of the Nevada King Shareholders approving an arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA, the full text of which is set forth in Appendix "C" to the Circular; and
- (b) to transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.

3. The Meeting will be called, held and conducted in accordance with the BCBCA, the articles of Nevada King and the Circular subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

ADJOURNMENT

4. Notwithstanding the provisions of the BCBCA and the articles of Nevada King, and subject to the terms of the Arrangement Agreement, Nevada King, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Nevada King Shareholders respecting such adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements will be given by news release, newspaper advertisement, or by notice sent to Nevada King Shareholders by one of the methods specified in paragraphs 9 and 10 of this Interim Order.

5. The Record Date (as defined in paragraph 7 below) will not change in respect of any adjournments or postponements of the Meeting.

AMENDMENTS

6. Prior to the Meeting, Nevada King is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement, without any additional notice to the Nevada King Shareholders, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented will be the Arrangement and Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

7. The record date for determining the Nevada King Shareholders entitled to receive notice of, attend and vote at the Meeting will be close of business on February 23, 2021 (the "Record Date").

NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and Nevada King will not be required to send to the Nevada King Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

9. The Circular, the form of proxy, letter of transmittal, and the Notice of Hearing of Petition (collectively referred to as the "**Meeting Materials**"), in substantially the same form as contained in Exhibits "A", "B" and "C" to the Kanevsky Affidavit, with such deletions, amendments or additions thereto as counsel for Nevada King may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, will be sent to:

- (a) the registered Nevada King Shareholders as they appear on the central securities register of Nevada King or the records of its registrar and transfer agent as at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
-

- (i) by prepaid ordinary or air mail addressed to the Nevada King Shareholders at their addresses as they appear in the applicable records of Nevada King or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 9 (a)(i) above; or
 - (iii) by email or facsimile transmission to any Nevada King Shareholders who has previously identified himself, herself or itself to the satisfaction of Nevada King acting through its representatives, who requests such email or facsimile transmission and, if required by Nevada King, agrees to pay the charges related to such transmission; and
- (b) the directors and auditors of Nevada King by mailing the Meeting Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal;

and substantial compliance with this paragraph will constitute good and sufficient notice of the Meeting.

10. The Circular and Notice of Hearing of Petition in substantially the same form as contained in Exhibits "A" and "C", respectively, to the Kanevsky Affidavit, with such deletions, amendments or additions thereto as counsel for Nevada King may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order (the "**Notice Materials**"), will be sent to holders of outstanding options to purchase Nevada King Shares issued pursuant to the stock option plan of Nevada King approved by the Nevada King Board of Directors on February 28, 2020 and otherwise (collectively with the Nevada King Shareholders, the "**Nevada King Securityholders**") at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal.

11. Accidental failure of or omission by Nevada King to give notice to any one or more Nevada King Securityholder or any other persons entitled thereto, or the non-receipt of such notice by one or more Nevada King Securityholder or any other persons entitled thereto, or any failure or omission to give such notice as a result of events beyond the reasonable control of Nevada King (including, without limitation, any inability to use postal services), will not constitute

a breach of this Interim Order or a defect in the calling of the Meeting, and will not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Nevada King, then it will use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. Provided that notice of the Meeting is given and the Meeting Materials and Notice Materials are provided to the Nevada King Securityholders and other persons entitled thereto in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the meeting is waived.

DEEMED RECEIPT OF NOTICE

13. The Meeting Materials and Notice Materials will be deemed, for the purposes of this Interim Order, to have been served upon and received:

- (a) in the case of mailing pursuant to paragraph 9(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (b) in the case of delivery in person pursuant to paragraph 9(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, the day following delivery to the person's address in paragraph 9 above; and
- (c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraph 9(a)(iii) above, when dispatched or delivered for dispatch.

UPDATING MEETING MATERIALS

14. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials and Notice Materials may be communicated to the Nevada King Securityholders or other persons entitled thereto by news release, newspaper advertisement or by notice sent to the Nevada King Securityholders or other persons entitled thereto by any of the means set forth in paragraphs 9 and 10 of this Interim Order, as determined to be the most appropriate method of communication by the Board of Directors of Nevada King.

QUORUM AND VOTING

15. The quorum required at the Meeting will be not less than two persons present or represented by proxy or duly authorized representative representing not less than 5% of the issued and outstanding Nevada King Shares.

16. The vote required to pass the Arrangement Resolution will be the affirmative vote of at least two-thirds of the votes cast on the Nevada King Arrangement Resolution by Nevada King Shareholders, present in person or represented by proxy and entitled to vote at the Nevada King Meeting.

17. In all other respects, the terms, restrictions and conditions set out in the articles of Nevada King will apply in respect of the Meeting.

PERMITTED ATTENDEES

18. The only persons entitled to attend the Meeting will be (i) the Nevada King Shareholders as of the Record Date, or their respective proxyholders, (ii) Nevada King's directors, officers, auditors and advisors, (iii) representatives of Victory Metals, and (iv) any other person admitted on the invitation of the Chair of the Meeting or with the consent of the Chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting will be the Nevada King Shareholders as at the close of business on the Record Date, or their respective proxyholders

SCRUTINEERS

19. Representatives of Blake, Cassels and Graydon LLP are authorized to act as scrutineers for the Meeting.

SOLICITATION OF PROXIES

20. Nevada King is authorized to use the form of proxy and letter of transmittal in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Kanevsky Affidavit and Nevada King may in its discretion waive generally the time limits for deposit of proxies by Nevada King Shareholders if Nevada King deems it reasonable to do so. Nevada King is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. The procedure for the use of proxies at the Meeting will be as set out in the Meeting Materials. Nevada King may in its discretion waive the time limits for the deposit of proxies by Nevada King Shareholders if Nevada King deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

DISSENT RIGHTS

22. Each registered Nevada King Shareholder will have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Sections 237-247 of the BCBCA, as modified by the terms of this Interim Order, the Plan of Arrangement and the Final Order.

23. Registered Nevada King Shareholders will be the only Nevada King Shareholders entitled to exercise rights of dissent. A beneficial holder of Nevada King Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the registered Nevada King Shareholder to dissent on behalf of the beneficial holder of Nevada King Shares or, alternatively, make arrangements to become a registered Nevada King Shareholder.

24. In order for a registered Nevada King Shareholder to exercise such right of dissent (the **"Dissent Right"**):

- (a) a Dissenting Nevada King Shareholder must deliver a written notice of dissent which must be received by Nevada King c/o 2600 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3, Attention: Alexandra Luchenko, or by email to alexandra.luchenko@blakes.com by 5:00 p.m. (Vancouver time) on March 29, 2021 or, in the case of any adjournment or postponement of the Meeting, the date which is two business days prior to the date of the Meeting;
- (b) a vote against the Arrangement Resolution or an abstention will not constitute written notice of dissent;
- (c) a Dissenting Nevada King Shareholder must not have voted his, her or its Nevada King Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
- (d) a Dissenting Nevada King Shareholder must dissent with respect to all of the Nevada King Shares held by such person; and
- (e) the exercise of such Dissent Right must otherwise comply with the requirements of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order.

25. Notice to the Nevada King Shareholders of their Dissent Right with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Right in the Circular to be sent to Nevada King Shareholders in accordance with this Interim Order.

26. Subject to further order of this Court, the rights available to the Nevada King Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Nevada King Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

27. Upon the approval, with or without variation, by the Nevada King Shareholders of the Arrangement, in the manner set forth in this Interim Order, Nevada King may apply to this Court for, *inter alia*, an order:

- (a) pursuant to BCBCA Sections 291(4)(a) and 295, approving the Arrangement; and
- (b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement, and the exchange of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable to those who will receive securities in the exchange

(collectively, the "**Final Order**"),

and the hearing of the Final Order will be held on April 2, 2021 at 9:45 a.m. (Vancouver time) or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as the Nevada King Board of Directors or this Court may direct at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as the Court may direct.

28. The form of Notice of Hearing of Petition attached to the Kanevsky Affidavit as Exhibit "D" is hereby approved as the form of notice of proceedings for such approval. Any Nevada King Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.

29. Any Nevada King Securityholder seeking to appear at the hearing of the application for the Final Order must:

- (a) file and deliver a Response to Petition (a "**Response**") in the form prescribed by the *Supreme Court Civil Rules*, and a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors at:

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Suite 2600, Three Bentall Centre
595 Burrard Street, PO Box 49314
Vancouver, BC V7X 1L3]

Attention: Alexandra Luchenko

by or before 4:00 p.m. (Vancouver time) on March 31, 2021.

30. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 9 and 10 of this Interim Order will constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.

31. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

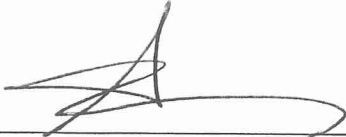
VARIANCE

32. Nevada King will be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

33. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, applicable Securities Laws or the articles of Nevada King, this Interim Order will govern.

34. Rules 8-1 and 16-1(8)-12 will not apply to further applications in respect of this proceeding, including the application for the Final Order and any applications to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS INTERIM ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of lawyer for Petitioner
Alexandra Luchenko

BY THE COURT

REGISTRAR



No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
NEVADA KING MINING LTD.
and **VICTORY METALS INC.**

NEVADA KING MINING LTD.

PETITIONER

ORDER MADE AFTER APPLICATION

Alexandra Luchenko
Blake, Cassels & Graydon LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, PO Box 49314
Vancouver, BC, V7X 1L3
(604) 631-3300

Agent: Dye & Durham

APPENDIX F
NOTICE OF HEARING OF PETITION FOR FINAL ORDER

Please see attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
NEVADA KING MINING LTD.
and **VICTORY METALS INC.**

NEVADA KING MINING LTD.

PETITIONER

NOTICE OF HEARING OF PETITION

To: The holders ("**Nevada King Shareholders**") of common shares ("**Nevada King Shares**") of Nevada King Mining Ltd. ("**Nevada King**")

And to: The holders of outstanding options to purchase Nevada King Shares issued pursuant to the stock option plan of Nevada King approved by the Nevada King Board of Directors on February 28, 2020 and otherwise (collectively with the Nevada King Shareholders, the "**Nevada King Securityholders**")

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, Nevada King in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "Arrangement"), pursuant to the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**BCBCA**");

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application, pronounced by the Court on February 25, 2021, the Court has given directions as to the calling of a special meeting of the Nevada King Shareholders, for the purpose of, among other things, considering, and voting upon the special resolution to approve the Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a Final Order approving the Arrangement and for a determination that the terms and conditions of the Arrangement and the exchange of common shares of Nevada for common shares in the capital of Victory Metals Inc. ("**Victory Metals**") to be effected thereby are procedurally and substantively fair and reasonable to Nevada King and the Nevada King Shareholders, and shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia via teleconference or as the Court may direct on April 2, 2021 at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard (the "**Final Application**").

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the United States

Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof with respect to securities issued under the Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the Supreme Court Civil Rules, together with any affidavits and other material on which that person intends to rely at the hearing of the Final Application, and delivered a copy of the filed Response, together with all affidavits and other material on which such person intends to rely pm at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on March 31, 2021.

The Petitioner's address for delivery is:

BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, B.C. V7X 1L3

Attention: Alexandra Luchenko

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Nevada King Securityholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Nevada King Securityholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Date: February 24, 2021

"Alexandra Luchenko"

Signature of lawyer for Petitioner
Alexandra Luchenko

APPENDIX G

INFORMATION RELATING TO THE COMBINED COMPANY

The following is a summary of the Combined Company, its business and operations, which should be read together with the detailed information and financial data and statements contained elsewhere in this Circular. The information contained in this Appendix G, unless otherwise indicated, is given as of February 24, 2021.

All capitalized terms used in this Appendix G and not defined herein have the meaning ascribed to such terms in the “*Glossary of Defined Terms*” or elsewhere in this Circular. The following contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See also in this Circular, “*Forward-Looking Statement*”.

References to dollars (\$) in this Circular shall mean Canadian dollars unless otherwise indicated.

Corporate Structure

Name, Address and Incorporation

As soon as practicable following the Effective Time, Victory will change its name to “Nevada King Gold Corp.” (“**the Combined Company**”). The Combined Company will continue to be governed by the *Business Corporations Act* (British Columbia) following the completion of the Arrangement. The Combined Company Shares (including the Consideration Shares issued pursuant to the Arrangement and the Victory Shares issued upon conversion of the Victory Subscription Receipts following the Arrangement) will be listed for trading on the TSXV under the symbol “NKG”. The Combined Company will be a reporting issuer in British Columbia and Alberta.

The Combined Company will have its virtual head office at PO Box, 48264 Bentall Centre Vancouver, BC V7X 1A1. Victory’s registered and records office is located at Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

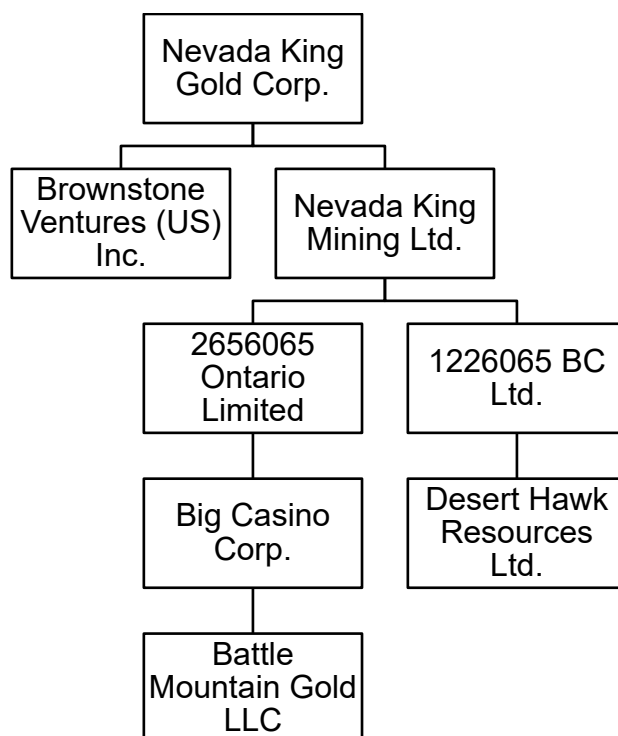
Intercompany Relationships

The Combined Company will hold a 100% direct or indirect interest in seven subsidiaries. The following table sets forth the Combined Company’s direct and indirect subsidiaries, as well as each subsidiary’s respective jurisdiction of incorporation and principal activity.

Name of Subsidiary	Jurisdiction of Incorporation	Principal activity
Brownstone Ventures (US) Inc.	Delaware, USA	Mineral Exploration Company
Nevada King Mining Ltd.	British Columbia, Canada	Canadian Parent of the Gold Assets Held by Various Subsidiaries
2656065 Ontario Limited	Ontario, Canada	Holding Company
Big Casino Corp.	Delaware, USA	Mineral Exploration Company
Battle Mountain Gold LLC	Nevada, USA	Mineral exploration company

Name of Subsidiary	Jurisdiction of Incorporation	Principal activity
1226065 B.C. Ltd.	British Columbia, Canada	Holding Company
Desert Hawk Resources Ltd.	Delaware, US	Mineral exploration company

The following diagram sets forth the corporate structure of the Combined Company following the Arrangement:



Description of the Business of the Combined Company

On completion of the Arrangement, the Combined Company will be a leading Nevada explorer and developer, focused exclusively on the Battle Mountain Trend, one of the world's most endowed and prolific gold trends. The Combined Company will be the fastest growing mineral claim holder in the United States and now ranks as Nevada's fourth largest active claim holder with 6,771 Nevada King claims and 730 Victory claims totaling 115,471 acres (467¹ km²), with an additional 1,082 claims currently in the process of being filed. The Combined Company will continue to pursue its program of strategic land acquisition on the Battle Mountain Trend.

The core assets of the Combined Company will be the 100%-owned development stage assets:

- Atlanta Gold Mine, Nevada** – a past producing gold mine with recorded production of 110,000 ounces of gold and 800,000 ounces of silver (1975-1985). A recently completed National Instrument 43-101 ("NI 43-101") compliant technical report dated October 29, 2020, by Gustavson Associates of Lakewood, Colorado, calculated a pit constrained, Measured and Indicated resource of 11 million tonnes grading 1.3 g/t Au and 11.9 g/t Ag using a 0.35 g/t Au only cut off, containing 460,000 oz Au and 4,220,000 oz Ag; and an Inferred mineral resource of 5.31 million tonnes grading 0.83 g/t Au and 7.3 g/t Ag, containing 142,000 oz

Au and 1,240,000 oz Ag. See “Appendix H – Information Relating to Victory – Mineral Projects”.

- **Iron Point Vanadium/Gold Project, Nevada** – North America’s largest mineralized vanadium footprint in a shallow, open-pittable configuration, currently moving towards a maiden NI 43-101 resource and Preliminary Economic Assessment, as well as a deep Carlin-style gold target currently being explored by joint venture partner Ethos Gold Corp. See “Appendix I – Information Relating to Nevada King – Mineral Projects”.

These core assets are combined with a portfolio of district-scale exploration projects in the heart of the Battle Mountain Trend including Golconda Gold, Horse Mountain-Mill Creek, Lewis, Hilltop South, Buffalo Valley, Cedars-Carico Lake, Kobeh Valley, and Evana (see Figure 1). These projects have seen significant historic exploration by numerous major mining companies and in many cases, are nearby or adjacent to large gold resources or operating mines.

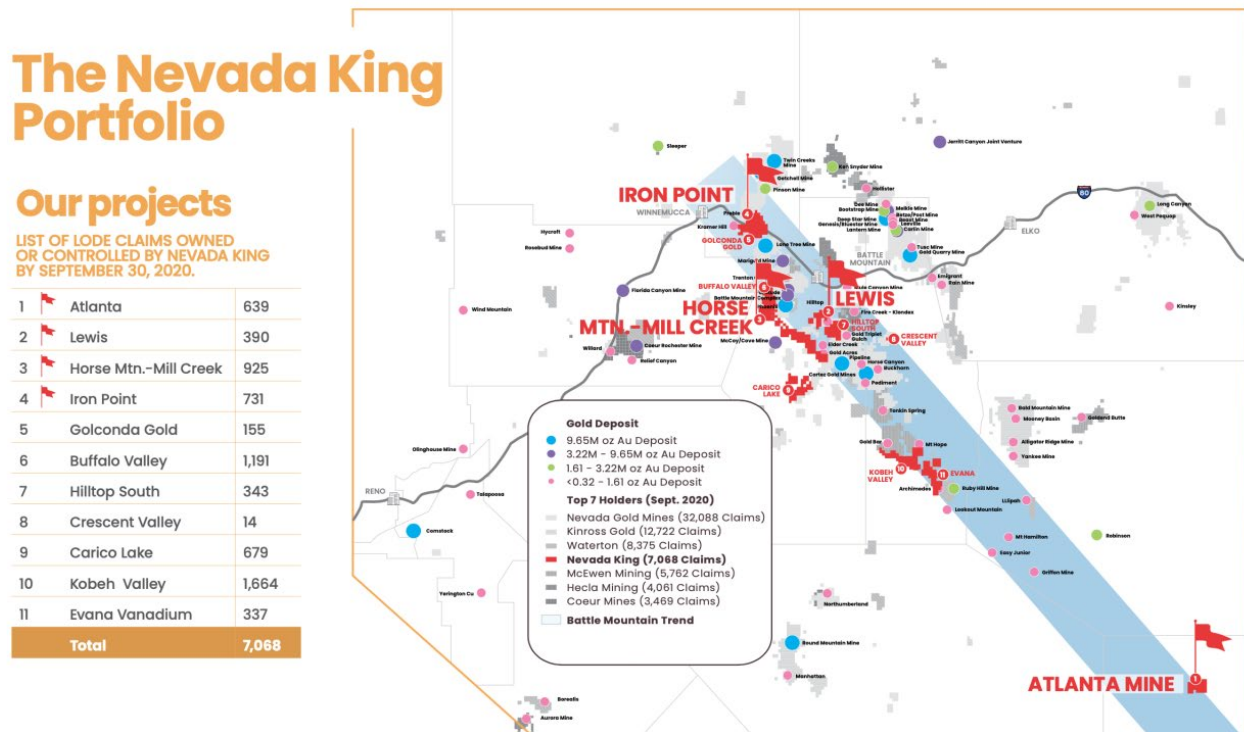


Figure 1

The Combined Company will benefit from the extensive exploration experience and high-end technical skill of Victory and Nevada King team members joining the Combined Company.

The Combined Company will be focused on using its business strategy to provide a foundation for the Combined Company’s future growth and increase shareholder value over the long-term. The Combined Company will also target strategic acquisitions of royalty interests, mineral properties and mineral exploration companies holding accretive assets as part of a broader consolidation strategy.

Specialized Skills and Knowledge

All aspects of the business of the Combined Company will require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine construction, mine operation and accounting.

Competitive Conditions

As a mineral exploration and development company with a focus in the Battle Mountain Trend, Nevada, the Combined Company may compete with other entities, the majority of which have greater financial resources than the Combined Company will have, in the mineral exploration and development business in various aspects of the business including: (a) seeking out and acquiring mineral exploration and development properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations. The mining industry is intensely competitive in all its phases, and the Combined Company may compete with other companies that have greater financial resources and technical facilities. The ability of the Combined Company to acquire and retain mineral properties in the future will depend on its success with the existing properties of Nevada King and Victory, its success in identifying and staking additional mineral properties, its ability to enter into future earn-in, joint venture, royalty and similar agreements and its ability to obtain additional financing to fund further exploration activities. Competition could adversely affect the Combined Company's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations.

Components

Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect the Combined Company if, for example, commodity prices fall significantly, thereby reducing the opportunity the Combined Company may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that the Combined Company waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

Cycles

The Combined Company will be an exploration-stage mining company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns, although the majority of the United States exploration costs are incurred in the months of June through November. The mineral exploration business is subject to mineral price cycles. The marketability of minerals and mineral concentrates and the ability to finance the Combined Company's ongoing mineral exploration activities on favourable terms will also be affected by worldwide economic cycles.

Foreign Operations

The Combined Company's mineral projects will be located in the United States. As such, the Combined Company's operations and investments may be affected by local political and economic developments, including expropriation, invalidation of government orders, permits or agreements pertaining to mineral or property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Environmental Protection

All aspects of the Combined Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. The Combined Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties.

Description of Securities

The authorized share capital of the Combined Company will be the same as the currently authorized share capital of Victory and the rights associated with each the Combined Company Share will be the same as the rights associated with each Victory Share. The Combined Company will have an unlimited number of the Combined Company Shares authorized for issuance and an unlimited number of Preferred shares without par value. See "*Appendix H – Information Relating to Victory – Description of the Victory Securities*" for a description of the Victory Shares.

Based on *pro-forma* figures as of the Record Date that give effect to the Arrangement, it is anticipated that there will be approximately: (i) 231,075,128 Combined Company Shares issued and outstanding (including Combined Company Shares issued in exchange for Victory Subscription Receipts issued pursuant to the Private Placement); and (ii) 6,460,000 options to acquire Combined Company Shares issued and outstanding. See "*Pro-Forma Consolidated Capitalization*".

Selected Pro-Forma Financial Information

The unaudited *pro-forma* condensed consolidated financial statements of the Combined Company (the "**Pro-Forma Financial Statements**") and accompanying notes are included in Exhibit 1 to this Appendix G. The Pro-Forma Financial Statements have been compiled from the underlying financial statements of Victory and Nevada King, both of which have been prepared in accordance with IFRS, in order to illustrate the Combined Company's financial circumstances immediately following the Arrangement. Victory will change its name to "Nevada King Gold Corp." following the Effective Time.

The unaudited *pro-forma* consolidated statement of loss and comprehensive loss for the six months ended September 30, 2020 combines the unaudited historical consolidated statement of loss and comprehensive loss of Victory and the unaudited pro-forma consolidated statement of

loss and comprehensive loss of Nevada King for the period from incorporation (December 20, 2019) until September 30, 2020, to give effect to the Arrangement as if it had occurred on March 31, 2020. The unaudited *pro-forma* consolidated statement of financial position as at September 30, 2020 combines the historical unaudited consolidated statement of financial position of Victory and the historical unaudited consolidated statement of financial position of Nevada King, as at that date, to give effect to the Arrangement as if it had occurred on September 30, 2020. The Pro-Forma Financial Statements do not purport to project Victory or Nevada King's respective consolidated financial positions or the results of operations for any future period.

The Pro-Forma Financial Statements are based on certain assumptions and adjustments. The selected unaudited *pro-forma* condensed consolidated financial information set out below should be read in conjunction with, and is qualified in its entirety by, the description of the Arrangement contained in this Circular and the Pro-Forma Financial Statements included in this Circular as Exhibit 1 to Appendix G – *Pro-Forma Financial Statements*.

	Victory Metals Inc	Nevada King Mining Ltd.	Pro Forma Adjustment	Pro Forma Consolidated
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,625,584	\$ 3,524,239	\$ 17,381,309	\$ 22,531,132
GST receivable	7,790	2,819	-	10,609
Prepaid expenses	78,333	6,680	-	85,013
	1,711,707	3,533,738	17,381,309	22,626,754
Exploration & Evaluation Assets	7,848,124	5,754,707	45,226,307	58,829,138
Deposits	-	429,174	-	429,174
	<u>\$ 9,559,831</u>	<u>\$ 9,717,619</u>	<u>\$ 62,607,616</u>	<u>\$ 81,885,066</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 164,726	\$ 70,189	\$ 350,000	\$ 584,915
	164,726	70,189	350,000	584,915
SHAREHOLDERS' EQUITY				
SHARE CAPITAL	37,440,172	10,878,300	61,026,746	109,345,218
CONTRIBUTED SURPLUS	2,433,604	1,448,278	(1,448,278)	2,433,604
SUBSCRIPTIONS	800,000	-	-	800,000
DEFICIT	(31,278,671)	(2,679,148)	2,679,148	(31,278,671)
	9,395,105	9,647,430	62,257,616	81,300,151
	<u>\$ 9,559,831</u>	<u>\$ 9,717,619</u>	<u>\$ 62,607,616</u>	<u>\$ 81,885,066</u>

Pro-Forma Consolidated Capitalization

The following table sets forth the capitalization of Victory and Nevada King before giving effect to the Arrangement, and the approximate capitalization of the Combined Company after giving effect to the Arrangement:

Category of Security	Amount Outstanding Before Giving Effect to the Arrangement ⁽¹⁾⁽²⁾	Amount Outstanding After Giving Effect to the Arrangement ⁽²⁾
Victory Shares	99,134,068	99,134,068
Nevada King Shares	57,591,018	99,134,068
Private Placement Combined Company Shares	0	32,806,992
Total Combined Company Shares	N/A	231,075,128
Victory Options	6,460,000	6,460,000
Nevada King Options	0	0
Total Combined Company Options	N/A	6,460,000
Total Combined Company Securities	N/A	237,535,128

Notes:

- (1) See Arrangement Agreement dated December 14, 2020, between Victory and Nevada King, which is incorporated by reference in this Circular and available on SEDAR (www.sedar.com) under Victory's profiles.
- (2) Assuming that no Victory Options are exercised between the date of the Arrangement Agreement and the Effective Time.

Dividends

There are no restrictions in Victory's articles or elsewhere, other than customary general solvency requirements, which would prevent the Combined Company from paying dividends following completion of the Arrangement.

For information on Victory's dividend policy, see "*Exhibit H – Information Regarding Victory – Dividends or Distributions*" in this Circular.

Principal Securityholders

To the best of the knowledge of the directors and officers of Victory and Nevada King, upon completion of the Arrangement, there will be no persons or companies who will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to the Combined Company Shares, except Palisades, as follows:

Shareholder and Category of Shareholdings	Before Giving Effect to the Arrangement		After Giving Effect to the Arrangement	
	Victory Shares	Nevada King Shares	Approximate Number of Combined Company Shares	Percentage of Voting Rights ⁽¹⁾
Palisades Goldcorp Ltd.	46,532,681	24,669,147	88,442,841	38.27%

Notes:

(1) The 2,500,000 Victory Options were exercised between the date of the Arrangement Agreement and the Effective Time, therefore, it is anticipated that there will be 231,075,038 Combined Company Shares issued and outstanding immediately following the completion of the Arrangement and the conversion of the Victory Subscription Receipts for Combined Company Shares.

Officers and Directors of the Combined Company

The management team of the Combined Company following the Arrangement will be a combination of the current management teams of Victory and Nevada King, and will include the following individuals:

- (i) Paul Matysek, Executive Chairman and Founder
- (ii) Collin Kettell, Chief Executive Officer; and
- (iii) Bassam Moubarak, Chief Financial Officer.

The board of directors of the Combined Company following the Arrangement will be comprised of Victory's current directors, supplemented by Dr. Quinton Hennigh, presently an advisor to Nevada King, as follows:

- (i) Paul Matysek;
- (ii) Collin Kettell;
- (iii) Craig Roberts;
- (iv) Doug Forster; and
- (v) Quinton Hennigh.

Susan Lavertu has notified Victory and Nevada King that she has decided not to join the Combined Company as a director or officer and will instead focus on other projects. As such, Nevada King has provided Victory with an irrevocable waiver of the condition to the completion of the Arrangement that, at the Effective Time, Ms. Lavertu be appointed to the Victory Board.

Three of the five directors of the Combined Company will be considered independent directors of the Combined Company. It is expected that the Combined Company will maintain the existing board committees of Victory. Committee positions will be determined by the board of directors of the Combined Company as needed.

The directors of the Combined Company will hold office until the next annual meeting of the Combined Company Shareholders or until their successor is duly appointed, unless their office is earlier vacated in accordance with the articles of the Combined Company or the BCBCA.

After giving effect to the Arrangement, it is expected that the number of Combined Company Shares beneficially owned, directly or indirectly, or over which control or direction will be exercised, by the proposed directors and officers of the Combined Company and their associates and affiliates, will be an aggregate of approximately 34,083,712 Combined Company Shares representing approximately 14.8% of the estimated outstanding Combined Company Shares on an undiluted basis following completion of the Arrangement.

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Paul Matysek⁽²⁾ BC, Canada <i>Founder and Executive Chairman</i>	Director, Forsys Metals Corp., since 2007; Chairman and Director, Nano One Materials Corp., since 2012; CEO and Director (Executive Chairman) (March - June 2020), Gold X Mining Corp., since March 2020; Chairman and Director, First Cobalt Corp., 2017 – 2019; Director, Executive Chairman, Lithium X Energy Corp., 2015 – 2018; Director, Arena Minerals Inc., 2013 – 2017; Director, Nevada Copper Corp., 2008 – 2017; President, CEO and Director, Goldrock Mines Corp., 2012 – 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	2,045,473 Combined Company Shares ⁽³⁾ 2,600,000 Combined Company Options
Collin Kettell Puerto Rico, USA <i>Director and CEO</i>	CEO, Victory, since January 2019; Executive Chairman, Palisades Goldcorp Ltd., since August 2019; Founder, Executive Chairman (since March 2020) and former CEO (2016 - 2020), New Found Gold Corp.; Director, Golden Planet Mining Corp., since January 2021; previously, CEO, Palisade Global Investments Ltd.	January 2019	26,295,847 Combined Company Shares ⁽⁴⁾ 1,455,000 Combined Company Options
Craig Roberts⁽²⁾ BC, Canada <i>Director</i>	CEO and Director, New Found Gold Corp., since March 2020 and December 2019, respectively; CEO and Director, Ethos Gold Corp., since 2018; Director, K2 Gold Corporation, since 2016; Director, Global Battery Metals Ltd., since 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	3,087,392 Combined Company Shares 525,000 Combined Company Options

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Doug Forster⁽²⁾ BC, Canada <i>Director</i>	President and CEO, Quarry Capital Corp., since 1994; Director, Calibre Mining Corp., since 2003; President and CEO, Featherstone Capital Inc., since 2005; Director, Newcore Gold Ltd., since 2010; Director, Edgewater Exploration Ltd., since 2011; President and CEO, Newmarket Gold Inc., from 2013 to 2016. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	February 2019	2,050,000 Combined Company Shares ⁽⁵⁾ 775,000 Combined Company Options
Quinton Hennigh Colorado, USA <i>Director</i>	President and Chairman of Novo Resources Corp, since 2009, director of New Found Gold Corp, since 2020; Director of Irving Resources Inc. since 2015; Director of Kuya Silver Corporation (formally Miramont Resources Corp.) since 2017; Director of Precipitate Gold Corp since 2010; Director of Condor Resources Inc. since 2020; Director of Tristar Gold Inc. since 2015. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	N/A	Nil
Bassam Moubarak BC Canada <i>CFO and Corporate Secretary</i>	Chartered Professional Accountant. CFO and director of Freeman Gold Corp since October 2020; CFO and director of Gold X Mining Corp since November 2019; Director of Highway 50 Gold Corp from May 2016 to December 2020; Chief Financial Officer of Lithium X Energy Corp. from April 2017 to March 2018 Director of Pure Energy Minerals Limited from May 2017 to May 2018; and Chief Financial Officer of Goldrock Mines Corp. from April 2013 to July 2016.	January 2019	605,000 Combined Company Shares 850,000 Combined Company Options

Notes:

- (1) Combined Company Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 23, 2021, based upon information furnished to Victory and Nevada King by the individual directors and executive officers.
- (2) Member of the Audit Committee.
- (3) Paul Matysek indirectly holds 2,045,473 Combined Company Shares through Bedrock Capital Corporation, a private company controlled by Paul Matysek.
- (4) Collin Kettell directly holds 2,495,244 Combined Company Shares. Mr. Kettell indirectly holds approximately 23,800,602 Combined Company Shares through his control position (shareholdings) in Palisades Goldcorp Ltd., which holds an aggregate of 88,642,841 Combined Company Shares.
- (5) Douglas Forster holds 700,000 Combined Company Shares indirectly through Quarry Capital Corp., a private company controlled by Douglas Forster

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director or executive officer of the Combined Company (or personal holding company) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Nevada King) that:

- (i) was the subject of a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (ii) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Combined Company (or personal holding company), or, to the knowledge of Victory and Nevada King's management, a potential Combined Company Shareholder holding a sufficient number of Victory Shares or Nevada King Shares to affect materially the control of the Combined Company:

- (i) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Victory or Nevada King) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Combined Company (or personal holding company), or, to the knowledge of Victory and Nevada King's management, a potential Combined Company Shareholder holding a sufficient number of Victory Shares or Nevada King Shares to affect materially the control of Combined Company, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Executive Compensation

It is expected that the Combined Company will maintain the policies of Victory with respect to executive compensation following the completion of the Arrangement.

See "*Appendix H – Information Relating to Victory – Executive Compensation*" in this Circular.

Compensation of Directors

It is expected that the Combined Company will maintain the policies of Victory with respect to director compensation following the completion of the Arrangement.

See "*Appendix H – Information Relating to Victory – Executive Compensation*" in this Circular.

Corporate Governance

It is expected that the Combined Company will maintain the policies of Victory with respect to corporate governance following the completion of the Arrangement.

See "*Appendix H – Information Relating to Victory – Corporate Governance*" in this Circular.

Stock Exchange Listing

It is expected that the Combined Company Shares will continue to trade on the TSXV under the symbol "NKG" following the completion of the Arrangement.

The Arrangement is subject to the approval of the TSXV with respect to the listing of the Combined Company Shares to be issued under the Arrangement as well as the Combined Company Shares issuable on due exercise of the Replacement Options and the Replacement Warrants.

Risk Factors

Upon the completion of the Arrangement, the Combined Company will be engaged in the exploration and evaluation of resource properties and will operate in an industry that involves a high degree of risk. The reader should carefully consider the following risks and uncertainties in addition to other information contained herein in evaluating the Combined Company and its business before making any investment decision regarding the Combined Company Shares. The risks described below are not the only ones facing the Combined Company. Additional risks

not presently known to the Combined Company may also impair its business operations. These risk factors should be considered in conjunction with the other information included in the Circular, this Appendix G and Appendices H, and I, including the documents incorporated by reference therein, and documents filed by Victory pursuant to applicable Laws from time to time.

Risks Inherent in the Mining and Metals Business.

The business of exploring for minerals is inherently risky. Few properties that are explored are ultimately developed into producing mines. Mineral properties are often non-productive for reasons that cannot be anticipated in advance. Title claims can impact the exploration, development, operation and sale of any natural resource project. Even after the commencement of mining operations, such operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action. The Combined Company's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to the Combined Company, or to other companies within the industry. In addition, insurance coverage may not continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse effect on the Combined Company.

Exploration and Development Risks.

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Combined Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Combined Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Combined Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Combined Company's projects will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities.

Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Combined Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Majority Shareholder Risks.

Palisades is expected to own approximately 37.55% of the Combined Company Shares on a fully-diluted basis. As a result, Palisades may have the ability to elect all of the members of the Combined Company's board of directors on a regular basis and a majority of the members of the Combined Company's board of directors in a contested election and thereby control Combined Company's policies and operations, including the appointment of management, future issuances of Combined Company Shares or other securities, the payment of dividends, if any, on Combined Company Shares, the Combined Company's incurrence of debt, amendments to the Combined Company's organizational documents, and the entering into of extraordinary transactions and Palisades' interests may not in all cases be aligned with your interests.

In addition, Palisades may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you. For example, Palisades could cause the Combined Company to make acquisitions that increase its indebtedness or cause the Combined Company to sell revenue-generating assets. Palisades is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Combined Company. Palisades and its other portfolio companies also may pursue acquisition opportunities that may be complementary to the Combined Company's business, and, as a result, those acquisition opportunities may not be available to the Combined Company.

So long as Palisades continues to beneficially own a sufficient number of Combined Company Shares, even if it beneficially owns significantly less than a majority of the Combined Company's outstanding shares, it will continue to be able to effectively control the Combined Company's decisions. There are no contractual restrictions on Palisades and its affiliates exercise of their voting rights in the Combined Company.

In addition, Palisades will be able to determine the outcome of all matters requiring shareholder approval and will be able to cause or prevent a change of control of the Combined Company or a change in the composition of the Combined Company Board and could preclude any acquisition of the Combined Company. This concentration of voting control could deprive you of an opportunity to receive a premium for your Combined Company Shares and ultimately will affect the market price of Combined Company Shares.

Government Regulation.

The Combined Company's operations, and potential new mineral exploration projects, are subject to extensive U.S. federal, state, territorial, departmental, municipal and local laws, regulations and administrative decisions governing various matters, including, but not limited to: mineral tenure; permitting; environmental legislation and protection; relations with indigenous communities; management and use of toxic substances and explosives; management of natural resources; land ownership and use; exploration, development of mines, construction, production and related operations, and ongoing and post- closure reclamation; exports; transportation; price controls; taxation; mining royalties; development criteria; labour standards and occupational health and safety, including mine safety; and, historic and cultural (including archaeological and indigenous) preservation. The impact of these items may have an adverse effect on the Combined Company's ability, or the ability of its funding partners to explore any of the Combined Company's properties, and to seek and successfully obtain new mineral exploration projects, as well as the cost of related business development activities.

Additionally, the operations of the Combined Company's require licenses and permits from various governmental and non-governmental authorities. Victory and Nevada King have obtained, and the Combined Company will obtain, all necessary licenses and permits required to carry on with activities that it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Combined Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects.

Public Health Crises, including the COVID-19 Pandemic, May Significantly Impact the Combined Company.

The Combined Company's business, operations and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics and or other health crises, such as the outbreak of COVID-19. The current COVID-19 global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included volatility in financial markets, a slowdown in economic activity, volatility in commodity prices (including precious metals) and has raised the prospect of a global recession. Activity on projects in which Victory and Nevada King, and hold an interest could be suspended for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19.

Mineral Resources and Recovery Estimates.

Disclosed resource estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. The Combined Company will estimate its mineral resources in accordance with the requirements of applicable Canadian securities regulatory authorities and established mining standards. Mineral resources are concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk are less likely to be accurately estimated or recovered than mineral reserves. The mineral reserve and resource figures are estimates based on the interpretation of limited sampling and

subjective judgements regarding the grade and existence of mineralization, as well as the application of economic assumptions, including assumptions as to operating costs, foreign exchange rates and future metal prices. The sampling, interpretations or assumptions underlying any reserve or resource figure may be incorrect, and the impact on mineral resources may be material. In addition, short term operating factors relating to mineral resources, such as the need for orderly development of orebodies or the processing of new or different ores, may cause mineral resource estimates to be modified or operations to be unprofitable in any particular fiscal period. There can be no assurance that the indicated amount of minerals will be recovered or that they will be recovered at the prices assumed for purposes of estimating resources.

Competition.

Victory and Nevada King compete, and the Combined Company will compete, with many companies that have substantially greater financial and technical resources than it for project acquisition or project development, as well as for the recruitment and retention of qualified employees.

Title to Property.

Title on mineral properties and mining rights comes with certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Victory and Nevada King have, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Combined Company will not encounter challenges or loss of title to its assets. The Combined Company does not carry title insurance.

Victory and Nevada King are actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Combined Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Combined Company to retain title to properties which comprise its projects could have a material adverse effect on the Combined Company and the value of its Combined Company Shares.

Environmental Risks.

The Combined Company's activities will be subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Combined Company and may cause material changes or delays in the Combined Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Combined Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Indigenous Peoples.

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Combined Company may hold royalty or other interests on projects located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Combined Company's future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which the Combined Company holds a royalty or other interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the owner/operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous peoples. Claims and protests of indigenous people may disrupt or delay activities of the Combined Company.

Joint Venture Risk.

Victory and Nevada King operate certain of their properties through joint ventures and are subject to the risks normally associated with the conduct of joint ventures. Such risks will be applicable to the Combined Company and include: inability to exert control over strategic decisions made in respect of such properties; disagreement with partners on how to develop and operate mines efficiently; inability of partners to meet their obligations to the joint venture or third parties; and litigation between partners regarding joint venture matters. Any failure of such other companies to meet their obligations to the Combined Company or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their respective properties, which could have a material adverse effect on the Combined Company.

Political Regulatory Risks.

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Combined Company's ability to undertake exploration and development activities in respect of present and future properties, as well as its ability to continue to explore and develop those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Risks related to operating in remote locations.

The Combined Company's properties are located in remote areas. As a result, the Combined Company's operations and personnel may be subject to operating and safety risks arising from several factors, including, but not limited to: water scarcity, inadequate and poorly maintained roads; limited air transport options; and, deficient or non-existent public services, including communications, energy, fire department, healthcare, water, and police. These risks may

compound impacts of some of the other risks identified in this document, including security, natural disasters, and social, among others.

Liquidity and Capital Requirements.

Neither Victory nor Nevada King currently have any operations generating cash to fund projected levels of exploration and development activity and associated overhead costs. Victory and Nevada King are, and following the Arrangement the Combined Company will be, therefore dependent upon debt and equity financing to carry out their exploration and development plans. There can be no assurance that such financing will be available to the Combined Company or at all. Management anticipates that, subject to financing, it will make substantial capital expenditures towards developing Victory's and Nevada King's, and subsequently the Combined Company's, mineral properties. However, there is no assurance that they will operate profitably or will generate positive cash flow in the future. The Combined Company may require additional financing in order to proceed with the exploration and evaluation of Victory's and Nevada King's, and subsequently the Combined Company's, properties and to sustain the business operations if they are not successful in earning revenues. The Combined Company may also need further financing if it decides to obtain additional mineral properties. The Combined Company's future may be dependent upon its ability to obtain financing. If the Combined Company does not obtain such financing, if required, its business could fail, and investors could lose their entire investment.

Prices, Markets and Marketing of Gold and Metal Prices.

World prices for commodities fluctuate and are affected by numerous factors including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities, and therefore an economic downturn could have a negative impact on the Combined Company.

Markets for Securities.

There can be no assurance that an active trading market in the Combined Company Shares will be sustained. The market price for the Combined Company Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of its peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Combined Company Shares.

Litigation.

The Combined Company will be subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Combined Company's financial position or results of operations.

Costs of Land Reclamation Risk.

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Combined Company will hold an interest. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Combined Company.

Insurance.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Combined Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Combined Company.

The possible issuance of additional Combined Company Shares may impact the value of the Combined Company Shares.

Victory is authorized, and the Combined Company will be authorized, to issue an unlimited number of Combined Company Shares without par value. Sales of substantial amounts of Combined Company Shares (including Combined Company Shares issuable upon the exercise of options to acquire Combined Company Shares), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Combined Company Shares and the ability of Combined Company to raise equity capital in the future.

The Combined Company will be reliant on the quality of its employees and being able to recruit and retain them.

Recruiting and retaining qualified personnel will be crucial to the Combined Company's success. The Combined Company will be dependent on the services of key executives including its CEO, as well as other highly skilled and experienced executives and personnel involved in managing the Combined Company's interests. The number of persons skilled in acquisition and exploration of mining properties is limited and competition for such persons is intense. As the Combined Company's business activity grows, the Combined Company will require additional experienced financial, administrative and mining personnel as well as operations staff. There can be no assurance that the Combined Company will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Combined Company is not successful in attracting, training and retaining qualified personnel, the performance of its operations could be impaired, which could have an adverse impact on the Combined Company's future cash flows, earnings, results of operations and financial condition.

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified advisors and consultants, to manage the Combined Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Combined Company. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Combined Company might undertake, and legal claims for errors or mistakes by the Combined Company's personnel.

Conflicts of Interest.

Some of the Combined Company's directors and officers may have conflicts of interest as a result of their involvement with other natural resource companies. Some of the persons who are directors and officers of the Combined Company are directors or officers of other natural resource or mining-related companies and these associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, the Combined Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Combined Company's financial position.

Acquisition Risks.

As part of the Combined Company's growth strategy, it may acquire businesses, services, technologies or intellectual property rights that it believes could complement, expand or enhance the features and functionality of its platform and its technical capabilities, broaden its service offerings or offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause the Combined Company to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not such acquisitions are consummated. Acquisitions also could result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect the Combined Company's operating results and financial condition. In addition, the Combined Company may experience difficulties in integrating the acquired personnel, operations and/or technologies successfully or effectively managing the combined business following the acquisition. The Combined Company also may not achieve the anticipated benefits from the acquired business and may incur unanticipated costs and liabilities in connection with any such acquisitions. If any of these results occurs, the Combined Company's business and financial results could be adversely affected.

Fluctuation in Market Value of Combined Company Shares.

The market price of the Combined Company Shares, as publicly traded shares, can be affected by many variables not directly related to the corporate performance of the Combined Company, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Combined Company Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Combined Company Shares.

Foreign Currency and Foreign Exchange.

The Combined Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Combined Company are not denominated in Canadian dollars. Neither Victory nor Nevada King has entered into any foreign currency contracts to mitigate this risk. Certain of the Combined Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Combined Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar.

Global Financial Conditions.

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Combined Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Combined Company. If increased levels of volatility and market turmoil continue, the Combined Company's operations could be adversely impacted, and the value and price of the Combined Company Shares could be adversely affected.

See also *"Risk Factors - Public Health Crises, including the COVID-19 Pandemic, May Significantly Impact The Combined Company"*.

Auditor

It is expected that the auditor for the Combined Company will continue to be Davidson and Company LLP, Chartered Professional Accountants, 1200-609 Granville St, Vancouver, BC V7Y, following the completion of the Arrangement.

Registrar and Transfer Agent

It is expected that the transfer agent and registrar for the Combined Company will continue to be Alliance Trust Company, located at its offices in Calgary, Alberta, following the completion of the Arrangement.

**EXHIBIT 1
TO APPENDIX G
PRO-FORMA FINANCIAL STATEMENTS**

(see attached)

VICTORY METALS INC.

PRO FORMA CONSOLIDATED BALANCE SHEET

September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

Victory Metals Inc.
Pro forma Consolidated Statement of Financial Position
September 30, 2020
(unaudited)
(Expressed in Canadian Dollars)

	Victory Metals Inc	Nevada King Mining Ltd.	Pro Forma Adjustment	Note	Pro Forma Consolidated
ASSETS					
CURRENT ASSETS					
Cash	\$ 1,625,584	\$ 3,524,239	\$ 18,043,796	3a	\$ 22,531,132
	-	-	(662,487)	3a	
GST receivable	7,790	2,819	-		10,609
Prepaid expenses	78,333	6,680	-		85,013
	1,711,707	3,533,738	17,381,309		22,626,754
NON-CURRENT ASSETS					
Exploration & Evaluation Assets	7,848,124	5,754,707	45,226,307	2	58,829,138
Deposits	-	429,174	-		429,174
TOTAL ASSETS	\$ 9,559,831	\$ 9,717,619	\$ 62,607,616		\$ 81,885,066
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 164,726	\$ 70,189	\$ 350,000	2	\$ 584,915
TOTAL LIABILITIES	164,726	70,189	350,000		584,915
SHAREHOLDERS' EQUITY					
Share Capital	37,440,172	10,878,300	18,043,796	3a	109,345,218
	-	-	(662,487)	3a	-
	-	-	43,645,437	2	-
Contributed Surplus	2,433,604	1,448,278	(1,448,278)	2	2,433,604
Subscriptions	800,000	-	-		800,000
Deficit	(31,278,671)	(2,679,148)	2,679,148	2	(31,278,671)
	9,395,105	9,647,430	62,257,616		81,300,151
	\$ 9,559,831	\$ 9,717,619	\$ 62,607,616		\$ 81,885,066

Victory Metals Inc.
Pro forma Consolidated Statement of Loss and Comprehensive Loss
September 30, 2020
(unaudited)
(Expressed in Canadian Dollars)

	Victory Metals Inc	Nevada King Mining Ltd.	Pro Forma Adjustment	Note	Pro Forma Consolidated
EXPENSES					
Advertising	\$ 16,987	\$53,520	-		\$70,507
Consulting	94,800	398,287	-		493,087
Management & Directors Fees	488,233	453,421	-		941,654
Office & Administration	35,220	51,453	-		86,673
Professional Fees	33,060	46,458	-		79,518
Stock-based compensation	-	1,448,278	-		1,448,278
Transfer agent and regulatory fees	6,929	2,568	-		9,497
Travel	-	3,092	-		3,092
LOSS FROM OPERATING ACTIVITIES	675,229	2,457,077	-		3,132,306
Foreign Exchange Loss	6,317	66,122	-		72,439
Interest income	-	2,014	-		2,014
Loss on sale of investments	-	153,935	-		153,935
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$681,546	\$2,679,148	-		\$3,360,694
BASIC AND DILUTED LOSS PER COMMON SHARE	\$0.01				\$0.02
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	91,134,068				215,075,038

VICTORY METALS INC.

Notes to the Pro Forma Consolidated Balance Sheet

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Victory Metals Inc (“Victory” or “the Company”) as at September 30, 2020 has been prepared by management of Victory to show the effect of the proposed acquisition of all of the outstanding common shares of Nevada King Mining Ltd. (“Nevada King”) pursuant to an Arrangement Agreement dated December 14, 2020 (the “Acquisition”) of Nevada King by Victory. Completion of the Acquisition is subject to a number of conditions, including TSX Venture Exchange acceptance, shareholder approval, and completion of a financing. There can be no assurance that the Acquisition will be completed as proposed or at all.

The unaudited pro forma consolidated balance sheet has been prepared for illustrative purposes only and give effect to the Acquisition pursuant to the assumptions described in the notes to the unaudited pro forma consolidated balance sheet. The proposed acquisition of Nevada Kings net assets by Victory has been accounted for under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) as if the Acquisition had been completed of September 30, 2020 for the unaudited pro forma consolidated balance sheet. Victory’s fiscal year end is March 31, 2020.

The unaudited pro forma consolidated balance sheet has been prepared by management for illustrative purposes only and based on information derived from and should be read in conjunction with the following:

- a) The unaudited condensed consolidated interim financial statements of Victory Metals Inc. as at and for the 6 month period ended September 30, 2020;
- b) The unaudited financial statements of Nevada King as at September 30, 2020 and for the period of incorporation to then ended;

It is management’s opinion that the unaudited pro forma consolidated balance sheet presents fairly, in all material respects, the transactions described in Note 2 in accordance with IFRS. The pro forma adjustments, as described in Note 2 and 3, are based on available information and certain estimates and assumptions.

The unaudited pro forma consolidated balance sheet is not necessarily indicative of the operating results or financial condition that would have been achieved if the Acquisition had been completed on the dates or for the period presented, nor do they purport to project the results of operations or financial position of the combined entities for any future period or as of any future date.

VICTORY METALS INC.
Notes to the Pro Forma Consolidated Balance Sheet
As at September 30, 2020
(Unaudited)
(Expressed in Canadian dollars)

1. Basis of presentation (cont'd)

Actual amounts recorded upon consummation of the Acquisition will likely differ from those recorded in the unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements are presented in Canadian dollars.

The significant accounting policies used in preparing the unaudited pro forma consolidated balance sheet are set out in Victory's financial statements for the year ended March 31, 2020 and Nevada King financial statements for the period ended September 30, 2020.

2. Acquisition of Nevada King

On December 14, 2020, Victory entered into a definitive Arrangement Agreement ("Arrangement") with Nevada King, pursuant to which Victory has agreed to acquire all of the issued and outstanding securities of Nevada King.

Upon completion of the Acquisition, Victory will own 100% of Nevada King in consideration for the issuance of Victory common shares resulting in the shareholders of Nevada King holding 50% of the issued and outstanding Victory Shares following completion of the Arrangement (the "Exchange Ratio").

The transaction is a "business combination" subject to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI-61-101"). MI-61-101 provides that, in certain circumstances, where a "related party" (as defined in MI-61-101) of an issuer is acquiring the issuer, such transaction may be considered a "business combination" for the purposes of MI-61-101 and may be subject to minority shareholder approval, formal valuation and other requirements. Palisades is both a major shareholder of Victory and Nevada King, holding approximately 50% of the Victory Shares and 46% of the Nevada King Shares. Consequently, minority shareholder approval of the Victory shareholders will be required for the Arrangement. It is expected that the Arrangement will be exempt from the formal valuation requirement of MI-61-101 as Victory is not listed on a specified market set out in section 4.4(1)(a) of MI-61-101.

Closing of the Acquisition is subject to the completion of a minimum \$8 million non-brokered private placement (the "Private Placement") by Victory. The Private Placement will be conducted on a post-Arrangement basis and, as such, the common shares of the resulting issuer to be issued to subscribers of the Private Placement will not be considered in the calculation of the Exchange Ratio. Palisades Goldcorp Ltd. ("Palisades"), a major shareholder of both Nevada

VICTORY METALS INC.
Notes to the Pro Forma Consolidated Balance Sheet
As at September 30, 2020
(Unaudited)
(Expressed in Canadian dollars)

2. Acquisition of Nevada King (cont'd)

King and Victory, has committed to subscribe for any portion of the Private Placement that is not taken up by other investors.

The unaudited pro forma consolidated financial statements assume that the cost of the acquisition will comprise of the fair value of Victory shares issued. As of February 23, 2021, Victory has 99,134,068 common shares issued and thus will issue 99,134,068 common shares to the Nevada King shareholders at \$0.55 per share for consideration of \$54,523,737. A valuation date of February 23, 2021 was chosen for the share value price. The resulting share value of \$0.55 per share is an estimation and not necessarily indicative of the final considerations for the Merger.

As Nevada King is in the early stage of exploration and does not yet have any processes or outputs, the acquisition has been accounted for as a purchase of assets.

The difference between the purchase consideration and the adjusted book values of Nevada King's assets and liabilities has been preliminarily assigned to "Exploration and Evaluation Assets". The fair value of all identifiable assets and liabilities acquired will be determined effective as at a date of closing of the Arrangement. Therefore, the fair values of assets and liabilities acquired will vary from the amounts shown and the differences may be material. The preliminary allocation of the estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price

99,134,068 shares of Victory	\$54,523,737
Transaction Cost	350,000
Total purchase price	<u>\$54,873,737</u>

Preliminary estimate of the allocation of purchase price

Net working capital	\$ 3,463,549
Exploration and Evaluation Assets	50,981,014
Deposits	429,174
Net identifiable assets of Nevada King	<u>\$54,873,737</u>

VICTORY METALS INC.

Notes to the Pro Forma Consolidated Balance Sheet

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

3. Pro forma adjustments

The unaudited pro forma consolidated balance sheet has been prepared on the basis that the Acquisition occurred on September 30, 2020 using the following assumptions and adjustments:

- a) Prior to completing the proposed Arrangement, Victory intends to complete a non-brokered private placement financing to raise \$18,043,796, through the issuance of 32,806,902 subscription receipts at \$0.55 per receipt. Each subscription receipt will automatically convert into one common share of Victory for no additional consideration. A finder's fee of \$662,487 will be paid to certain finders.

4. Pro forma effective income tax rate

The pro forma effective income tax rate applicable to the consolidated pro forma financial statements is 27%.

5. Pro forma capital stock

	Number of common shares	Share capital	Other equity reserves	Subscriptions received in advance	Total
Authorized: Unlimited common shares without par value					
Issued and outstanding:					
Balance as at September 30, 2020, prior to Acquisition	91,134,068	\$37,440,172	\$2,433,604	\$800,000	\$40,673,776
Subscription receipts	32,806,902	18,043,796	-	-	18,043,796
Finders' fees on subscription receipts	-	(662,487)	-	-	(662,487)
Acquisition of Nevada King (Note 2)	99,134,068	54,523,737	-	-	54,523,737
Pro forma share capital after the Acquisition	223,075,038	\$109,345,218	\$2,433,604	\$800,000	\$112,578,822

APPENDIX H

INFORMATION REGARDING VICTORY METALS INC.

The following information is provided by Victory Metals Inc. (“**Victory**” or the “**Company**”), is presented on a pre-Arrangement basis (except where otherwise indicated) and reflects the current business, financial and share capital position of Victory. References to Victory or the Company include references to any predecessor companies thereto, as context requires. See “*Appendix I – Information Relating to Nevada King*” and “*Appendix G – Information Relating to the Combined Company*” for business, financial and share capital information relating to Nevada King Mining Ltd. and the Combined Company, respectively.

CORPORATE STRUCTURE

Name, Address and Incorporation

Victory was originally incorporated under the *Business Corporations Act* (Alberta) on October 20, 2000, under the name “Old Sun Resources Ltd.”, and on June 8, 2001, Old Sun Resources Ltd. changed its name to “Ripper Oil And Gas Inc.”. On May 25, 2012, Ripper Oil and Gas Inc. (“**Ripper**”) was continued as a British Columbia corporation under the *Business Corporations Act* (British Columbia). On January 31, 2019, Ripper completed the reverse take-over of Brownstone Ventures (US) Inc. and changed its name to “Victory Metals Inc.” (the “**Reverse Takeover**”). Brownstone Ventures (US) Inc. (“**Brownstone**”) was a private company, incorporated on June 28, 2006 in the state of Delaware and is currently a wholly-owned subsidiary of Victory.

Victory’s head office address is located at PO Box, 48264 Bentall Centre Vancouver, BC V7X 1A1. Victory’s registered and records office is located at Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

Victory is a reporting issuer in the provinces of Alberta and British Columbia. The Victory Shares are listed on the TSXV under the trading symbol “VMX”. The fiscal year-end of Victory is March 31.

The authorized share capital of Victory consists of an unlimited number of Victory Shares without par value, of which, 99,134,068 Victory Shares were issued and outstanding as of the Record Date and an unlimited number of Preferred shares without par value, of which there are none outstanding as of the Record Date.

Intercorporate Relationships

Victory has one wholly-owned subsidiary, Brownstone Ventures (US) Inc., a Delaware corporation.

DESCRIPTION OF THE BUSINESS

Victory is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. Victory has one mineral project. Victory owns a 100% interest in the Iron Point Vanadium Project, consisting of 730 unpatented lode claims covering approximately 12,822 acres, located in the Iron Point mining district 22 miles east of Winnemucca, Humboldt County, Nevada (USA) (the “**Iron Point Project**”). The Iron Point Project straddles Interstate 80, has high voltage electric power lines running through the project

area and a railroad line passing across the northern property boundary. Victory is well financed to advance the project through resource estimation and initial feasibility study work. In addition to the Iron Point Project, Victory has the option to acquire interests in up to a further 104 acres contiguous to the Iron Point Project.

Production and Operations

Victory's strategy is to acquire mineral properties for the purpose of mineral exploration and exploitation. At present, Victory is an exploration stage company with regards to the Iron Point Project, and consequently has no current operating income, cash flow or revenues from the Iron Point Project. There is no assurance that commercially viable mineral deposits exist on the Iron Point Project.

Market and Marketing

Victory's principal product under exploration is vanadium. Victory has also entered into an option agreement with Ethos Gold Corp. ("**Ethos**"), whereby Ethos can spend \$5 million on exploration of high priority, deep gold and silver drill targets to earn an undivided 50% interest in the precious metal rights at the Iron Point Project. Victory retains a 100% interest in widespread, near-surface Vanadium mineralization. If Ethos spends \$5 million on exploration, Ethos and Victory will enter into a 50-50 joint venture for the further exploration and development of the potential deep gold and silver drill targets.

Vanadium is a naturally-occurring, silvery-grey element with an atomic number of 23. It is not typically found as a free-form element in nature, but rather exists in an oxidation state as part of mineral deposits, including vanadinite, carnotite and magnetite ores, or within fossil fuels. Vanadium is harder than most metals, while retaining malleable and ductile features, and is corrosion-resistant to various chemicals, including alkalis, hydrochloric and sulfuric acids and saltwater. Vanadium also has high melting and boiling points of 1910°C and 3407°C, respectively, enabling it to retain its solid form in a variety of external conditions.

Vanadium consumption is dominated by its use in steel applications, which, as of 2019, is estimated to account for approximately 91% of total global consumption. Within this application, the use of vanadium can be further distinguished between the use of vanadium in high-strength low-alloy ("**HSLA**") steel, full alloy steel, carbon steel and other steels. HSLAs include small amounts of vanadium, niobium or titanium, or a combination of these microalloying elements, to induce higher strength and a finer-grained structure. The higher strength enables the use of smaller quantities of raw materials in many applications. HSLAs are considered to be a strong substitute for carbon manganese steel which has lower tensile strength.

The balance of global vanadium consumption, approximately 9% in total, is used for aerospace alloys, chemical catalysts and other specialty applications such as renewable energy. These industries and applications most often require high purity vanadium which command premium pricing.

Over the long-term, we expect new applications to drive incremental demand for vanadium use, especially certain specialty applications that demand high-purity vanadium content. While these sources of demand account for a limited amount of existing consumption, we expect the ongoing development and maturation of certain technologies to spur additional long-term demand for vanadium outside of consumption in steel. Global climate change trends are encouraging the research and implementation of large energy storage systems to support renewable energy

sources. Vanadium redox flow batteries, which use vanadium ions in different oxidation states to store potential chemical energy, are considered to be a cost-competitive alternative to lithium ion technology for large-scale, long duration energy storage. We believe our high-purity products are well-positioned to take advantage of these quickly growing end markets.

According to the London Metal Bulletin, as of February 23, 2021, V_2O_5 was trading in the range of US\$6.40 to US\$7.10 per pound of V_2O_5 , and as of December 31, 2020 was trading in the range of US\$5.40 to US\$7.10 per pound V_2O_5 . The price of V_2O_5 decreased materially in 2019, starting the year at US\$15.50 to US\$16.50 per pound V_2O_5 before falling almost continuously until the end of the year when it bottomed out. Since December 2019, the price of V_2O_5 has experienced volatility and any gains realized over the period have been tempered by fears of a global economic slowdown from the COVID-19 pandemic, see “*Risk Factors – Risk related to the COVID-19 Pandemic*”.

Specialized Skill and Knowledge

Many aspects of Victory’s business require specialized skill and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs and accounting. Victory retains executive officers and consultants with experience in mining, geology, exploration and development in the United States and generally, as well as executive officers and consultants with relevant accounting experience.

Competitive Conditions

Companies operating in the mining industry must manage risks, which are beyond the direct control of company personnel. Among these risks are those associated with exploration, title defects, environmental damage, commodity prices, foreign exchange rates and interest rates.

The mineral exploration and mining industry is competitive and Victory will be required to compete for the acquisition of attractive mineral permits, claims, leases and other mineral interests for exploration and development projects. As a result of this competition, the majority of which is with companies with greater financial resources than Victory, Victory may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of Victory to acquire and retain mineral properties in the future will depend on its success with its existing properties, its success in identifying and staking additional mineral properties, its ability to enter into future earn-in agreements, joint venture, royalty and similar agreements and its ability to obtain additional financing to fund further exploration activities. Victory also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

Components

Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect Victory if, for example, commodity prices fall significantly, thereby reducing the opportunity Victory may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that Victory waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

Cycles

Victory is an exploration-stage mining company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns, although the majority of the United States exploration costs are incurred in the months of June through November. The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

Environmental Protection

All aspects of Victory's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. Victory's operations are presently primarily focused in Nevada, United States and are subject to national and local laws and regulations.

Victory may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. Victory conducts its mineral exploration activities in compliance with applicable environmental protection legislation. Victory is not aware of any existing environmental problems related to any of its properties that may result in material liability to Victory.

Employees

As at the date of this Circular, Victory has no full-time equivalent employees, three full-time contractors and two part-time contractors.

Foreign Operations

Victory faces certain risks as a company operating in the United States, including changes to or invalidation of government mining regulations; expropriation or revocation of land or property rights; changes in foreign ownership rights; changes in foreign taxation rates; corruption; uncertain political climate; terrorist actions or war; and lack of a stable economic climate.

Social and Environmental Policies

In March 2020, the World Health Organization declared COVID-19 a global pandemic. In order to protect its employees, contractors and do our part for the safety of our communities, Victory implemented a work from home strategy. Given the current uncertainty due to the COVID-19 threat and the highly volatile financial markets, drilling plans are uncertain at this time, but will be reported when plans materialize later in the year.

GENERAL DEVELOPMENT OF THE BUSINESS

Canarc Mining Option Agreement

On October 24, 2018, Victory entered into a mining option agreement with Canarc Resources Corp. ("**Canarc**") pursuant to which Canarc granted Victory an option to acquire a 100% interest in Canarc's interest in four patented mining claims located within the Iron Point Mining District, Humboldt County, Nevada, USA, in exchange for cash payments totalling US\$240,000, to be paid over the course of ten years and a 2% net smelter returns royalty. On the same date, Victory

entered into an amended agreement with Canarc and American Innovative Minerals, LLC pursuant to which the parties ratified the rights granted to Victory.

Brownstone Loans

In the fourth quarter of 2018, Brownstone entered into loans with certain lenders for an aggregate of \$1,000,000 (the “**Brownstone Loans**”) for mutually agreed upon exploration work at the Property. Upon completion of the Reverse Takeover, the principal amount loaned under the respective Brownstone Loans was converted into Victory Shares at a price of \$0.20 per Victory Share.

The following table includes further information on the Brownstone Loans and the lenders thereof.

Lender	Principal amount of Brownstone Loan	Date of Brownstone Loan	# of Victory Shares issued upon conversion of Brownstone Loan
G8 Consultants Ltd. ⁽¹⁾	\$300,000	November 8, 2018	1,500,000
Quarry Capital Corp. ⁽²⁾	\$100,000	November 5, 2018	500,000
Cal Everett	\$100,000	November 8, 2018	500,000
Dino Minicucci	\$100,000	November 5, 2018	500,000
Souzi Moubarak	\$100,000	October 26, 2018	500,000
Hard Rock Investments Holdings Inc. ⁽³⁾	\$200,000	November 5, 2018	1,000,000
Craig Roberts	\$100,000	November 8, 2018	500,000
	\$1,000,000		5,000,000

Notes:

- (1) A company controlled by Chris Bonvini.
- (2) A company controlled by Doug Forster.
- (3) A company controlled by Marin Katusa.

On January 31, 2020, in connection with the completion of the Reverse Takeover, Victory issued 5,000,000 Victory Shares in settlement of the loans.

Change of Management

On November 20, 2018, Dennis Laviolette and Binh Quach resigned from their respective positions of President and Chief Financial Officer and Collin Kettell was appointed President and Corporate Secretary. As a result, Collin Kettell is the sole director, President and Corporate Secretary of Brownstone.

Share Exchange Agreement

On January 14, 2019, Ripper, Casino Gold Corp. (“**Casino Gold**”) and Brownstone entered into a share exchange agreement (the “**Share Exchange Agreement**”) in respect of the Reverse Takeover whereby, Ripper acquired all of the issued and outstanding securities of Brownstone Ventures (US) Inc. from Casino Gold in exchange for the issuances of 41,837,681 common shares of Ripper to Casino Gold. Following the completion of the transaction, Ripper changed its

name to Victory Metals Inc. and continued on the business of Brownstone, which is described herein as the business of Victory.

Pursuant to the terms of the Share Exchange Agreement, Victory granted a 1% net smelter return royalty to Casino Gold with Victory maintaining a right of first refusal on the repurchase of such royalty.

In connection with the Reverse Takeover, Casino Gold also assigned all of its rights and obligations under a mining option agreement to acquire 100% interests in other mining claims located within the Iron Point Mining District to Victory.

The Reverse Takeover was completed on January 31, 2019, at which time Ripper changed its name to Victory Metals Inc.

Option Agreement with Ethos Gold

On May 17, 2019, Victory announced that it had entered into an option agreement with Ethos, whereby Ethos can spend \$5 million on exploration of high priority, deep gold and silver drill targets to earn an undivided 50% interest in the precious metal rights at the Iron Point Project. Victory retains a 100% interest in widespread, near-surface Vanadium mineralization that has recently been outlined through drilling by Victory. Victory has also retained the right, should precious metals be found near vanadium mineralization, to veto precious metals mining rights that could in anyway interfere with the development of vanadium deposits. Ethos must spend minimum of \$5 million over three years, with minimum expenditures of \$1.0 million in year one, \$1.5 Million in year two and \$2.5 Million in year three. Following the earn-in, a 50-50 joint venture will be formed between Ethos and Victory.

On May 22, 2020, the option agreement was amended whereby Ethos can spend \$5 million over five years with expenditures in an aggregate amount equal to at least US\$250,000 each year over the term of the agreement.

Arrangement Agreement and Private Placement

On November 16, 2020, Victory announced that Victory and Nevada King had entered into a binding letter agreement to combine in a merger-of-equals transaction in which Victory will acquire all of the issued and outstanding Nevada King Shares. On December 15, 2020, Victory announced that Victory and Nevada King had entered into a definitive arrangement agreement in respect of the Arrangement. Upon completion of the Arrangement, Victory will be renamed "Nevada King Gold Ltd." and will continue the businesses of both Victory and Nevada King. Under the terms of the Arrangement Agreement, Victory will acquire all of the issued and outstanding Nevada King Shares in exchange for such number of Victory Shares as will result in the Nevada King Shareholders holding 50% of the issued and outstanding Victory Shares immediately after completion of the Arrangement (not including Victory Shares to be issued upon conversion of the Victory Subscription Receipts). See "*The Arrangement*", "*The Arrangement Agreement*", "*Cautionary Statement Regarding Forward- Looking Information*" and "*Risk Factors*" in this Circular.

In connection with the Arrangement, Victory completed the Private Placement. The Private Placement closed in two tranches for an aggregate of 32,806,902 Victory Subscription Receipts for gross proceeds of \$18,043,796. Each Victory Subscription Receipt entitles the holder to receive automatically upon closing of the Arrangement, without any further action on the part of

the holder and without payment of additional consideration, one post-Arrangement Victory Share. The completion of the Arrangement, and the automatic conversion of the Victory Subscription Receipts thereafter, remains subject to customary closing conditions including approval of the TSXV, Victory Shareholders, Nevada King Shareholders and the court. The proceeds of the Private Placement are being held in escrow pending the completion of the Arrangement. If the Arrangement is not completed before April 16, 2021, the Victory Subscription Receipts will be deemed to be cancelled and the holders of Victory Subscription Receipts will receive a cash amount equal to the aggregate Subscription Price of their Victory Subscription Receipts and any interest that was earned on the Subscription Price.

Expected Developments

Victory will continue to advance its studies and work toward completion of a pre-economic assessment on its Iron Point Vanadium project.

Mineral Projects

Please refer to Exhibit 1 to this Appendix for information regarding the Iron Point Project.

DIVIDENDS OR DISTRIBUTIONS

Victory has not, since the date of its incorporation, declared or paid any cash dividends on its Victory Shares and does not currently have a policy with respect to the payment of dividends. For the immediate future Victory does not envisage any earnings arising from which dividends could be paid. The payment of dividends in the future will depend on the earnings, if any, and Victory's financial condition and such other factors as the Victory Board considers appropriate.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Victory's audited consolidated financial statements for the years ended March 31, 2020 and 2019 (the "**Victory Annual Financial Statements**"), together with the notes thereto, are attached to this Appendix H as Exhibit 2. Victory's condensed consolidated interim financial statements for the three and six months ended September 30, 2020 ("**Victory Interim Financial Statements**"), together with the notes thereto, are attached to this Appendix H as Exhibit 3.

See Exhibit 2 to this Appendix H for Victory's MD&A for the year ended March 31, 2020. See Exhibit 3 to this Appendix H for Victory's MD&A for the three and six months ended September 30, 2020. The attached MD&As should be read in conjunction with the Victory Annual Financial Statements and the Victory Interim Financial Statements, together with the notes thereto, which are attached as Exhibits 2 and 3 to this Appendix H.

Additional Disclosure for Venture Issuers Without Significant Revenue

The financial statements included in Exhibits 2 and 3 to this Appendix H provide a breakdown of Victory's expenses and mineral property costs for the annual period ended March 31, 2020 and 2019, the three and six month periods ended September 30, 2020.

OUTSTANDING SECURITY DATA

As at the record date, there were:

- (a) 99,134,068 Victory Shares issued and outstanding;
- (b) 6,460,000 Victory Options; and
- (c) 32,806,902 Victory Subscription Receipts.

Description of the Victory Securities

Victory Shares

The authorized share capital of Victory consists of an unlimited number of Victory Shares without par value and an unlimited number of Preferred shares without par value.

Each Victory Share carries one vote at all meetings of Victory Shareholders, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Victory Shares, and to participate rateably in the liquidation, dissolution, winding-up or other distribution of assets of Victory. The Victory Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Preferred shares may be issued from time to time in one or more series, each series comprising the number of shares, designation, privileges, restrictions and conditions which the Victory Board determines by resolution. On the liquidation, dissolution or winding-up of Victory or on any other distribution of assets of Victory among Victory Shareholders for the purpose of winding up its affairs, the preferred shares rank prior to the Victory Shares in respect of repayment of capital and, if applicable, dividends.

Victory Options

For a description of the Victory Options see “*Statement of Executive Compensation - Exercise of Compensation Securities by Directors and NEOs*” in this Appendix H.

Victory Subscription Receipts

In connection with the Transaction, Victory completed the Private Placement. The Private Placement closed in two tranches for an aggregate of 32,806,902 Victory Subscription Receipts. The Victory Subscription Receipts were issued pursuant to a subscription receipt agreement entered into between Victory and Alliance Trust Company, the subscription receipt agent, dated December 23, 2020. Each Victory Subscription Receipt entitled the holder to receive automatically upon closing of the Arrangement, subject to standard conditions, without any further action on the part of the holder and without payment of additional consideration, one post-Arrangement Victory Share.

The completion of the Arrangement, and the automatic conversion of the Victory Subscription Receipts thereafter, remains subject to customary closing conditions including approval of the TSXV, Victory Shareholders, Nevada King Shareholders and the court. The proceeds of the Private Placement are being held in escrow pending the completion of the Arrangement. If the

Arrangement is not completed before April 16, 2021 the Victory Subscription Receipts will be deemed to be cancelled and the holders of Victory Subscription Receipts will receive a cash amount equal to the aggregate Subscription Price of their Victory Subscription Receipts and any interest that was earned on the Subscription Price. The Victory Subscription Receipts do not confirm any of the rights of Victory Share ownership prior to their conversion into Victory Shares.

CONSOLIDATED CAPITALIZATION

Except as herein disclosed, there have not been any material changes in the share and loan capital of Victory, on a consolidated basis, since September 30, 2020, the date of Victory's most recently filed financial statements.

On October 8, 2020, Victory closed a non-brokered private placement offering raising gross proceeds of \$2,000,000 through the issuance of 5,000,000 Victory Shares at a price of \$0.40 per Victory Share.

On October 29, 2020, Victory closed an additional non-brokered private placement offering raising gross proceeds of \$200,000 through the issuance of 500,000 Victory Shares at a price of \$0.40 per Victory Share.

On December 23, 2020, Victory closed the first tranche of the Private Placement issuing 27,569,702 Subscription Receipts at the Subscription Price for aggregate gross proceeds of \$15.1 million. The second tranche closed on January 15, 2021, pursuant to which Victory issued a further 5,237,200 Subscription Receipts at the Subscription Price for gross proceeds of \$2.9 million.

PRIOR SALES

The table below summarizes the issuances of Victory Shares, Victory Options and Victory Subscription Receipts issued within the 12 months prior to the date of this Circular.

Date of Issue	Number and Type of Securities	Issue or Exercise Price per Security (\$)	Reason for Issue
October 8, 2020	5,000,000 Victory Shares	\$0.40	Private Placement Financing
October 29, 2020	500,000 Victory Shares	\$0.40	Private Placement Financing
December 23, 2020	27,569,792 Victory Subscription Receipts	\$0.55	Private Placement Financing
December 31, 2020	100,000 Victory Shares	\$0.35	Exercise of Victory Options
January 11, 2021	750,000 Victory Shares	\$0.35	Exercise of Victory Options
January 15, 2021	5,237,200 Victory Subscription Receipts	\$0.55	Private Placement Financing

Date of Issue	Number and Type of Securities	Issue or Exercise Price per Security (\$)	Reason for Issue
January 19, 2021	250,000 Victory Shares	\$0.35	Exercise of Victory Options
January 22, 2021	100,000 Victory Shares	\$0.35	Exercise of Victory Options
January 26, 2021	1,300,000 Victory Shares	\$0.35	Exercise of Victory Options

TRADING PRICE AND VOLUME

The Victory Shares are listed for trading on the TSXV under the symbol “VMX”. The following table sets forth, for the 12-month period before the date of this Circular, details of the closing price ranges and total trading volume, on a monthly basis, of the Victory Shares traded through the facilities of the TSXV:

Period	High (\$)	Low (\$)	Volume
February 1 – 24, 2021	0.62	0.54	1,327,141
January 2021	0.83	0.58	1,485,185
December 2020	0.83	0.60	3,018,786
November 2020	0.69	0.49	1,137,949
October 2020	0.57	0.395	1,040,211
September 2020	0.47	0.34	471,633
August 2020	0.48	0.32	725,459
July 2020	0.35	0.27	345,092
June 2020	0.345	0.275	588,539
May 2020	0.30	0.225	878,969
April 2020	0.28	0.20	389,948
March 2020	0.36	0.17	595,006
February 2020	0.40	0.31	613,010

On November 16, 2020, the last trading day before the date of the announcement of the Arrangement, the closing price of the Victory Shares on the TSXV was \$0.62 per Victory Share. On February 24, 2021, the date of this Circular, the closing price of the Victory Shares on the TSXV was \$0.56 per Victory Share.

ESCROWED SECURITIES

In connection with the completion of the Reverse Takeover, certain Victory Shares became subject to escrow conditions. On January 31, 2019, Victory and certain Victory Shareholders entered into an escrow agreement (the “**Escrow Agreement**”) with Alliance Trust Company as

escrow agent and depository. Pursuant to the Escrow Agreement, 43,471,014 Victory Shares, were held in escrow. Additionally, a further 4,500,000 Victory Shares were subject to TSXV seed share resale restrictions in relation to the completion of the Reverse Takeover.

The securities governed by the Escrow Agreement are considered tier 2 value securities by the TSXV and are released in accordance with a schedule that released 10% of these securities on the issuance of the TSXV bulletin announcing the closing of the Reverse Takeover on February 6, 2019 (the “**Bulletin**”), with the remaining 90% to be released in 15% tranches every six months following the date of the Bulletin. The securities subject to TSXV seed share resale restrictions were subject to resale restrictions for four months and one day following the date of the Bulletin.

All holders of Victory Shares still subject to the Escrow Agreement must obtain TSXV consent to transfer such Victory Shares then subject to escrow, other than in specified circumstances.

To the knowledge of Victory, the following table describes the number of Victory Shares and the percentage that number represents of the outstanding securities of that class:

Designation of Class	Number of Securities Held in Escrow or That Are Subject to a Contractual Restriction on Transfer	Percentage of Class
Victory Shares ⁽¹⁾	13,041,305	13.2% ⁽²⁾

Notes:

(1) Alliance Trust Company is escrow agent and depository for the Victory Shares.

(2) Based on 99,134,068 Victory Shares issued and outstanding as of the date of this Circular.

PRINCIPAL SECURITYHOLDERS

To the knowledge of Victory’s directors and executive officers, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, Victory Securities carrying more than 10% of the voting rights attached to all outstanding Victory Securities of that class.

Name	No. of Victory Securities Owned, Controlled or Directed (non- diluted)	Percentage of Outstanding Victory Securities (non-diluted) ⁽¹⁾
Palisades Goldcorp Ltd. ⁽²⁾	46,532,681	53.3%

Notes:

(1) Based on 99,134,068 Victory Shares issued and outstanding as of the date of this Circular.

(2) Palisades Goldcorp Ltd. (“**Palisades**”) beneficially owns, or exercises control or direction over 33.6% of Victory securities on a fully-diluted basis (including Victory Subscription Receipts).

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of Victory’s directors and executive officers, their municipalities of residence, the positions and offices which they presently hold with Victory, and their respective principal occupations as at the date of the Circular. The term of office of each director expires at the next annual meeting of the Victory Shareholders.

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Paul Matysek⁽²⁾ BC, Canada <i>Founder and Executive Chairman</i>	Director, Forsys Metals Corp., since 2007; Chairman and Director, Nano One Materials Corp., since 2012; CEO and Director (Executive Chairman) (March -June 2020), Gold X Mining Corp., since March 2020; Chairman and Director, First Cobalt Corp., 2017 – 2019; Director, Executive Chairman, Lithium X Energy Corp., 2015 – 2018; Director, Arena Minerals Inc., 2013 – 2017; Director, Nevada Copper Corp., 2008 – 2017; President, CEO and Director, Goldrock Mines Corp., 2012 – 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	2,045,473 Victory Shares ⁽³⁾ 2,600,000 Victory Options
Collin Kettell Puerto Rico, USA Director and CEO	CEO, Victory, since January 2019; Executive Chairman, Palisades Goldcorp Ltd., since August 2019; Founder, Executive Chairman (since March 2020) and former CEO (2016 - 2020), New Found Gold Corp.; Director, Golden Planet Mining Corp., since January 2021; previously, CEO, Palisade Global Investments Ltd.	January 2019	12,494,024 Victory Shares ⁽⁴⁾ 1,455,000 Victory Options 53,700 Victory Subscription Receipts ⁽⁴⁾
Craig Roberts⁽²⁾ BC, Canada Director	CEO and Director, New Found Gold Corp., since March 2020 and December 2019, respectively; CEO and Director, Ethos Gold Corp., since 2018; Director, K2 Gold Corporation, since 2016; Director, Global Battery Metals Ltd., since 2016. All of the foregoing companies are mineral exploration and development companies.	January 2019	1,775,000 Victory Shares 525,000 Victory Options
Douglas Forster⁽²⁾ BC, Canada <i>Director</i>	President and CEO, Quarry Capital Corp., since 1994; Director, Calibre Mining Corp., since 2003; President and CEO, Featherstone Capital Inc., since 2005; Director, Newcore Gold Ltd., since 2010; Director, Edgewater Exploration Ltd., since 2011; President and CEO, Newmarket Gold Inc., from 2013 to 2016. All of the foregoing companies are involved in one or all of: mineral exploration, development, production and the capital markets.	February 2019	1,850,000 Victory Shares ⁽⁵⁾ 775,000 Victory Options 100,000 Victory Subscription Receipts

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Bassam Moubarak BC Canada <i>CFO and Corporate Secretary</i>	Chartered Professional Accountant. CFO and director of Freeman Gold Corp since October 2020; CFO and director of Gold X Mining Corp since November 2019; Director of Highway 50 Gold Corp from May 2016 to December 2020; Chief Financial Officer of Lithium X Energy Corp. from April 2017 to March 2018 Director of Pure Energy Minerals Limited from May 2017 to May 2018; and Chief Financial Officer of Goldrock Mines Corp. from April 2013 to July 2016.	January 2019	605,000 Victory Shares 850,000 Victory Options

Notes:

- (1) Victory Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 23, 2021, based upon information furnished to Victory by the individual directors and executive officers.
- (2) Member of the Audit Committee.
- (3) Paul Matysek indirectly holds 2,045,473 Victory Shares through Bedrock Capital Corporation, a private company controlled by Paul Matysek.
- (4) Collin Kettell indirectly holds approximately 12,494,024 Victory Shares and 53,700 Victory Subscription Receipts through his control position (shareholdings) in Palisades Goldcorp Ltd., which holds an aggregate of 46,532,681 Victory Shares and 200,000 Victory Subscription Receipts.
- (5) Douglas Forster holds 700,000 Combined Company Shares indirectly through Quarry Capital Corp., a private company controlled by Douglas Forster.

As at the date of this Circular, the directors and executive officers of Victory, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 18,869,497 Victory Shares representing approximately 19% of the issued and outstanding Victory Shares. The number of Victory Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each director and officer as at the date of this Circular is based on information furnished by Victory's transfer agent and by the directors and officers themselves.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Victory (or personal holding company) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Victory) that:

- (a) was the subject of a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event

that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of Victory (or personal holding company), or, to the knowledge of Victory's management, a Victory Shareholder holding a sufficient number of Victory Shares to affect materially the control of Victory:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Victory) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Victory (or personal holding company), or, to the knowledge of Victory's management, a Victory Shareholder holding a sufficient number of Victory Shares to affect materially the control of Victory, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of Victory are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including that Collin Kettell, CEO and director of Victory is also Executive Chairman of Nevada King and Craig Roberts, director of Victory, is also CEO and director of Ethos Gold Corp. and an advisor to Nevada King, for which he was to be nominated for election as a director at the next annual general meeting of shareholders of Nevada King. Bassam Moubarak is the CFO of Victory and his corporation BM Strategic Capital Corp provides strategic advice and CFO services to Nevada King.

Such associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of Victory may not be made available to Victory, but rather may be offered to a company with competing interests. The directors and senior officers of Victory are required by law to act honestly and in good faith with a view to the best interests of Victory and to disclose any personal interest which they may have in any project or opportunity of Victory, and to abstain from voting on such matters.

Additionally, the Arrangement is considered a “related party transaction” subject to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI-61-101**”). MI-61-101 provides that, in certain circumstances, where an issuer completes a transaction with a “related party” (as defined in MI-61-101) of that issuer, such transaction may be subject to minority shareholder approval, formal valuation and other requirements. Palisades is both a major shareholder of Victory and Nevada King, holding approximately 47% of the Victory Shares and 46% of the Nevada King Shares. Consequently, minority shareholder approval of the Victory shareholders will be required for the Arrangement. It is expected that the Arrangement will be exempt from the formal valuation requirement of MI-61-101 as Victory is not listed on a specified market set out in section 5.5(b) of MI-61-101. For further information, please see “*Securities Law Considerations – NI 61-101*” of this Circular.

The directors and officers of Victory are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and Victory will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

EXECUTIVE COMPENSATION

Director and NEO Compensation

Director and NEO Compensation, Excluding Options and Compensation Securities

The table set forth below describes all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Victory or a subsidiary thereof, to each named executive officer (“**NEO**”) and director of Victory, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of Victory for services provided and for services to be provided, directly or indirectly, to Victory or a subsidiary thereof for each of the two most recently completed financial years.

“**Named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of Victory, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of Victory, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of Victory and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation – Venture Issuers; and

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Victory, and was not acting in a similar capacity, at the end of that financial year.

Table of Compensation Excluding Compensation Securities							
Name and Position	Financial Year Ended March 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Collin Kettell ⁽¹⁾ <i>CEO and Director</i>	2020	286,592	180,274	Nil	Nil	Nil	466,866
	2019	47,439	65,475	Nil	Nil	Nil	112,914
Bassam Moubarak ⁽²⁾ <i>CFO and Corporate Secretary</i>	2020	238,778	150,962	Nil	Nil	Nil	389,739
	2019	39,626	26,495	Nil	Nil	Nil	66,122
Paul Matysek ⁽³⁾ <i>Executive Chairman and Director</i>	2020	318,370	200,880	Nil	Nil	Nil	519,250
	2019	52,834	66,240	Nil	Nil	Nil	119,074
Craig Roberts ⁽⁴⁾ <i>Director</i>	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	10,000	Nil	Nil	Nil	Nil	10,000
Douglas Forster ⁽⁵⁾ <i>Director</i>	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	10,000	Nil	Nil	Nil	Nil	10,000
Scott Ackerman ⁽⁶⁾ <i>Former CEO/CFO/ President/Secretary and Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	130,576 ⁽⁷⁾	Nil	Nil	Nil	Nil	130,576 ⁽⁷⁾
Doug McFaul ⁽⁸⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Brent Ackerman ⁽⁹⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Collin Kettell has served as CEO and a director of Victory since January 31, 2019.
- (2) Bassam Moubarak has served as CFO of Victory since January 31, 2019.
- (3) Paul Matysek has served as Executive Chairman and a director of Victory since January 31, 2019.
- (4) Craig Roberts has served as a director of Victory since January 31, 2019.
- (5) Douglas Forster has served as a director of Victory since February 12, 2019.
- (6) Scott Ackerman served as a director of Victory from April 3, 2012, to January 31, 2019. He served as CEO, President, and Corporate Secretary of Victory from April 4, 2012, to January 31, 2019, and CFO of Victory from June 26, 2015, to January 31, 2019.
- (7) Includes \$10,500 paid to a corporation controlled by Scott Ackerman for the rental of office space for Victory
- (8) Doug McFaul served as a director of Victory from June 15, 2015, to January 31, 2019.
- (9) Brent Ackerman served as a director of Victory from June 26, 2015, to January 31, 2019.

Stock Options and Other Compensation Securities

The table set forth below sets out all compensation securities granted or issued to each NEO and director by Victory or one of its subsidiaries during the financial year ended March 31, 2020, for services provided or to be provided, directly or indirectly, to Victory or any subsidiary thereof.

“Compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by Victory or one of its subsidiaries for services provided or to be provided, directly or indirectly, to Victory or any of its subsidiaries. **“Underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

Compensation Securities							
Name and Position	Type of Compensation Security ⁽¹⁾	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class ⁽²⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Collin Kettell ⁽³⁾ <i>CEO and Director</i>	Victory Options	155,000 Victory Options (155,000 underlying Victory Shares: 0.17%)	June 17, 2019	0.63	0.63	0.20	June 17, 2024
Bassam Moubarak ⁽⁴⁾ <i>CFO and Corporate Secretary</i>	Victory Options	100,000 Victory Options (100,000 underlying Victory Shares: 0.11%)	June 17, 2019	0.63	0.63	0.20	June 17, 2024
Craig Roberts ⁽⁵⁾ <i>Director</i>	Victory Options	25,000 Victory Options (25,000 underlying Victory Shares: 0.03%)	June 17, 2019	0.63	0.63	0.20	June 17, 2024
Douglas Forster ⁽⁶⁾ <i>Director</i>	Victory Options	25,000 Victory Options (25,000 underlying Victory Shares: 0.03%)	June 17, 2019	0.63	0.63	0.20	June 17, 2024
Paul Matysek ⁽⁷⁾ <i>Executive Chairman and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Victory Options fully vested as at date of grant.
- (2) Based on 91,134,068 Victory Shares issued and outstanding as at March 31, 2020
- (3) Including the above, Collin Kettell held an aggregate of 1,455,000 Victory Options (1,455,000 underlying Victory Shares) as at March 31, 2020.
- (4) Including the above, Bassam Moubarak held an aggregate of 850,000 Victory Options (850,000 underlying Victory Shares) as at March 31, 2020.
- (5) Including the above, Craig Roberts held an aggregate of 525,000 Victory Options (525,000 underlying Victory Shares) as at March 31, 2020.
- (6) Including the above, Douglas Forster held an aggregate of 775,000 Victory Options (775,000 underlying Victory Shares) as at March 31, 2020.
- (7) Paul Matysek held an aggregate of 2,600,000 Victory Options (2,600,000 underlying Victory Shares) as at March 31, 2020.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended March 31, 2020.

Victory Stock Option Plans and Other Incentive Plans

The stock option plan of Victory (the “**Victory Stock Option Plan**”) is a rolling stock option plan, whereby the aggregate number of Victory Shares reserved for issuance, together with any other Victory Shares reserved for issuance under any other plan or agreement of Victory, shall not exceed ten (10%) percent of the total number of issued Victory Shares (calculated on a non-diluted basis) at the time a Victory Option is granted. Its purpose is to provide Victory with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward such persons as may be awarded Victory Options under the plan by the Victory Board from time to time for their contributions toward the long-term goals of Victory, and to enable and encourage such persons to acquire Victory Shares as long-term investments.

The material terms of the Victory Stock Option Plan are as follows:

- the Victory Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Victory Shares equal to 10% of the issued Victory Shares at the time of any Victory Option grant;
- if a Victory Option expires or otherwise terminates for any reason without having been exercised in full, the number of Victory Shares in respect of which the Victory Option expired or terminated shall again be available for the purposes of the Victory Stock Option Plan;
- persons eligible to be granted Victory Options under the Victory Stock Option Plan are directors, officers, and bona fide employees and consultants of Victory;
- the aggregate number of Victory Options granted to any one person (and companies wholly owned by that person) in any 12-month period must not exceed 5% of the issued Victory Shares at the time of the grant, unless Victory has obtained the requisite disinterested Victory Shareholder approval;
- the aggregate number of Victory Options granted to any one consultant in any 12-month period must not exceed 2% of the issued Victory Shares at the time of the grant;
- the aggregate number of Victory Options granted to all persons conducting investor relations activities in any 12-month period must not exceed 2% of the issued Victory Shares at the time of the grant;
- options fully vest on date of grant or as determined by the Victory Board except for Victory Options issued to persons conducting investor relations activities which must vest in stages over a minimum period of 12 months with no more than $\frac{1}{4}$ of the Victory Options vesting in any three-month period;

- the exercise price per Victory Share for a Victory Option may not be less than the Discounted Market Price (as such term is defined in the policies of the TSXV), subject to a minimum exercise price of \$0.05;
- Victory Options shall have a term not exceeding 10 years from the date of grant, subject to a provision allowing for the automatic extension to the expiry date of a Victory Option if such expiry date falls within a blackout period during which Victory prohibits option holders from exercising Victory Options, provided that the (i) blackout period must be formally imposed by Victory pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, (ii) blackout period must expire upon the general disclosure of the undisclosed material information, (iii) expiry date of the affected Victory Options can be extended to no later than ten (10) business days after the expiry of the blackout period, and (iv) automatic extension of an option holder's Victory Options will not be permitted where the option holder or Victory is subject to a cease trade order (or similar order under applicable securities laws) in respect of Victory's securities;
- if an option holder is terminated for cause, each Victory Option held by such person shall terminate upon such termination for cause;
- if an option holder dies while holding Victory Options, each Victory Option held by such person shall terminate no later than the earlier of the expiry date of the Victory Options and the date which is six months after the date of death, provided that the Victory Board may extend the date of such termination to a date not exceeding the expiry date and the date which is 12 months after the date of death;
- if an option holder ceases to be an eligible person, other than by termination for cause or death, each Victory Option held by such person shall terminate no later than the earlier of the expiry date and the date which is 30 days after such event, provide that the Victory Board may extend the date of such termination to a date not exceeding the earlier of the expiry date and the date which is 12 months after such event;
- upon the occurrence of an Accelerated Vesting Event (as defined in the Victory Stock Option Plan), the Victory Board will have the power, except pertaining to Victory Options granted to persons conducting investor relations activities which will be subject to prior written TSXV approval, to make such changes to the terms of Victory Options, including but not limited to (i) accelerating the vesting of Victory Options, conditionally or unconditionally, (ii) terminating every Victory Option if under the transaction giving rise to the Accelerated Vesting Event, stock options in replacement of the Victory Options are proposed to be granted to or exchanged with the option holders, (iii) otherwise modifying the terms of any Victory Option to assist the option holders to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event, or (iv) following the successful completion of such Accelerated Vesting Event, terminating any Victory Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event;

- in connection with the exercise of a Victory Option, as a condition to such exercise Victory shall require the optionee to pay, as applicable, to Victory an amount as necessary so as to ensure that Victory is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Victory Option;
- disinterested shareholder approval is required for any reduction in the exercise price of a Victory Option if the option holder is an insider of Victory at the time of the proposed amendment;
- Victory Options are non-assignable and non-transferable; and
- the Victory Stock Option Plan contains provisions for adjustment in the number of Victory Shares issuable on exercise of Victory Options in the event of a Victory Share consolidation, subdivision, conversion, exchange, reclassification or any substitution.

The Victory Stock Option Plan is the only equity compensation plan Victory has in place.

Employment, Consulting and Management Agreements

The Victory Board recognizes the value of the named executive officers of Victory and the importance of their consistent focus in the event of a possible change of control. It was determined by the Victory Board that it is in the best interests of Victory to ensure that the consistency and stability of the named executive officers is maintained during any change of control. According, each named executive officer has an employment agreement or consulting agreement with Victory that provides for payments to the named executive officer in connection with termination or a change of control of Victory, as further described below.

Pursuant to a management services agreement dated February 1, 2019, between Victory and Argentum Capital Corp. (the “**Argentum Agreement**”), a private company controlled by Mr. Collin Kettell, a director and Chief Executive Officer of Victory, Victory has agreed to pay to Argentum Capital Corp. (“**Argentum**”) a base fee of US\$18,000 (the “**Argentum Base Fee**”) per month for management services, a signing bonus of US\$50,000, and an incentive fee for an amount to be determined in the sole discretion of the Victory Board, and grant 1,300,000 Victory Options. In the event the Argentum Agreement is terminated without cause, Victory must pay Argentum a termination fee equal to 18 months of the Argentum Base Fee, plus any reimbursable expenses. In the event the Argentum Agreement is terminated by Argentum within 60 days following a change of control (as defined in the Argentum Agreement) or by Victory within 60 days following a change of control, Victory must pay Argentum a termination fee equal to 24 months of the Argentum Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

Pursuant to a management services agreement dated February 1, 2019, between Victory and Bedrock Capital Corporation (the “**Bedrock Agreement**”), a private company controlled by Mr. Paul Matysek, a director and the Executive Chairman of Victory, Victory has agreed to pay to Bedrock Capital Corporation (“**Bedrock**”) a base fee of US\$20,000 (the “**Bedrock Base Fee**”) per month for management services, a signing bonus of US\$50,000, and an incentive fee for an amount to be determined in the sole discretion of the Victory Board, and grant 2,600,000 Victory Options. In the event the Bedrock Agreement is terminated without cause, Victory must pay

Bedrock a termination fee equal to 18 months of the Bedrock Base Fee, plus any reimbursable expenses. In the event the Bedrock Agreement is terminated by Bedrock within 60 days following a change of control (as defined in the Bedrock Agreement) or by Victory within 60 days following a change of control, Victory must pay Bedrock a termination fee equal to 24 months of the Bedrock Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

Pursuant to a management services agreement dated February 1, 2019, between Victory and Bassam Moubarak (the “**Moubarak Agreement**”), Chief Financial Officer of Victory, Victory has agreed to pay to Mr. Moubarak a base fee of US\$15,000 (the “**Moubarak Base Fee**”) per month for management services, a signing bonus of US\$20,000, and an incentive fee for an amount to be determined in the sole discretion of the Victory Board, and grant 750,000 Victory Options. In the event the Moubarak Agreement is terminated without cause, Victory must pay Mr. Moubarak a termination fee equal to 18 months of the Moubarak Base Fee, plus any reimbursable expenses. In the event the Moubarak Agreement is terminated by Mr. Moubarak within 60 days following a change of control (as defined in the Moubarak Agreement) or by Victory within 60 days following a change of control, Victory must pay Mr. Moubarak a termination fee equal to 24 months of the Moubarak Base Fee plus an amount that is equivalent to all earned bonuses in the 24 months prior to such termination.

Oversight and Description of Director and Named Executive Officer Compensation

The Victory Board determines named executive officer compensation at the time of the engagement of a named executive officer, and subsequently reviews compensation payable to a named executive officer at the discretion of the Victory Board from time to time. The objectives of Victory’s executive compensation policy are to attract and retain individuals of high caliber to serve as officers of Victory, to motivate their performance in order to achieve Victory’s strategic objectives and to align the interests of executive officers with the long-term interests of Victory Shareholders. Victory’s primary compensation policy is to pay for performance and, accordingly, the performance of Victory and its named executive officers are both examined by the Victory Board.

Victory pays base compensation in the form of management fees or salaries to its named executive officers that is competitive with that of comparable companies in the mineral exploration industry. The base compensation payable to the named executive officers was determined at the time each entered into their respective management services or employment agreement with Victory.

Their respective base compensation was objectively determined by the Victory Board comparing the base compensation of each respective named executive officer with that of executive officers of comparable companies in the mineral exploration industry.

Director Compensation

The Victory Board as a whole determines director compensation from time to time. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and Victory may, from time to time, grant to its directors incentive stock options to purchase Victory Shares. Victory currently relies solely on discussion without any formal objectives, criteria and analysis to determine the number of Victory Options, and the terms and conditions of such Victory Options, to be granted to the directors and officers of Victory in accordance with the policies of the TSXV and the Victory Stock Option Plan. The Victory Board

also takes into consideration the number and value of outstanding Victory Options already held by each option holder when determining Victory Option grants.

Pension Disclosure

Victory does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of Victory or any of its subsidiaries which is owing to Victory or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Victory or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of Victory, no proposed nominee for election as a director of Victory and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to Victory or any of its subsidiaries; or
- (b) is indebted to another entity which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Victory or any of its subsidiaries,

in relation to a securities purchase program or other program.

AUDIT COMMITTEES

Audit Committee

The Victory Board has appointed an Audit Committee. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires Victory’s Audit Committee (“**Audit Committee**”) to meet certain requirements. NI 51-102 also requires Victory to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The Victory Board adopted an Audit Committee Charter mandating the role of the Audit Committee in supporting the Victory Board in meeting its responsibilities to the Victory Shareholders on October 16, 2012.

,The Audit Committee Charter is attached as Exhibit 4 to this Appendix H.

Audit Committee Members

Victory's Audit Committee is currently comprised of three directors, namely Paul Matysek, Craig Roberts, and Douglas Forster. NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with Victory, which could, in the view of the Victory Board, reasonably interfere with the exercise of the member's independent judgment. Paul Matysek, who also serves as Executive Chairman of Victory is not considered to be independent, as defined in NI 52-110, as he is an executive officer of Victory. Craig Roberts and Douglas Forster are independent. As Victory is a venture issuer, Victory is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. Further, in compliance with NI 52-110, a majority of the members of the Audit Committee of Victory are not executive officers, employees or control persons of Victory or of an affiliate of Victory.

All of the Audit Committee members are financially literate, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of Victory, as well as an understanding of internal controls and procedures necessary for financial reporting. NI 52-110 provides that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Victory's financial statements.

The Audit Committee is responsible for review of interim and annual financial statements of Victory. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of Victory and any subsidiaries and to discuss with management and the external auditors of Victory any accounts, records and matters relating to the financial statements of Victory. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

Each member of Victory's present Audit Committee has adequate education and experience that is relevant to his or her performance as an Audit Committee member and, in particular the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by Victory to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Victory's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Paul Matysek – Mr. Matysek, a serial corporate entrepreneur and proven company builder, is a professional geochemist and geologist with over 30 years of experience in the mining industry.

Mr. Matysek has held numerous senior executive and director positions and currently holds such positions with several natural resource exploration and development companies. Previously he was Executive Chairman of Lithium X Energy Corp. acquired by NextView New Energy Lion Hong Kong Limited for \$265 million in 2018, and President and CEO of Goldrock Mines Corp. acquired by Fortuna Silver Mines Inc. for \$178 million in July 2016. In the lithium sector, Mr. Matysek was previously President and CEO of Lithium One Inc., which merged with Galaxy Resources of Australia via a \$112 million plan of arrangement in 2012. Prior to Lithium One, Mr. Matysek was the President and CEO of Potash One Inc. where he was the architect of the \$434 million friendly takeover of Potash One by K+S Canada Holdings Inc. in 2011.

Craig Roberts – Mr. Roberts is a mining engineer with over 30 years of operations, consulting, and investment banking experience. This includes work on feasibility studies for numerous mining projects worldwide, investment banking/due diligence roles in over 200 institutional mining equity financings, and significant experience advising management and boards on both friendly and hostile transactions. Mr. Roberts has a degree in Mining Engineering from the University of British Columbia and an M.Phil. in Management Studies from Oxford University.

Douglas Forster – Mr. Forster has been associated with the mining industry for over 35 years as a geologist, senior executive, director and company founder. He holds a B.Sc. (1981) and M.Sc. (1984) in Economic Geology from the University of British Columbia, Canada. Mr. Forster has been a founder, director or senior executive with numerous public companies, including Terrane Metals Corp. acquired by Thompson Creek Metals Company Inc. in 2010 for \$750 million, Potash One Inc. acquired by K+S Canada Holdings Inc. in 2011 for \$434 million, and Newmarket Gold Inc. acquired by Kirkland Lake Gold Ltd. in 2016 for \$1 billion. Over the past 30 years, Mr. Forster has been involved with several large-scale mine development projects and operating mines including the Mt. Milligan gold-copper mine, the Kemess South goldcopper mine, the Golden Bear gold mine, the Legacy potash project, the Fosterville gold mine, the Cosmo gold mine and the Stawell gold mine. Mr. Forster has a proven track record in resource project development, mergers and acquisition, mine operations, equity and debt financing and public company management. He is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.

Audit Committee Oversight

At no time since the commencement of Victory's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Victory Board.

Reliance on Certain Exemptions

As Victory is a "Venture Issuer" pursuant to relevant securities legislation, Victory is relying on the exemption in section 6.1 of NI 52-110, from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of National Instrument 52-110.

At no time since the commencement of Victory's most recently completed financial year ended March 31, 2019, has Victory relied on the exemption in section 2.4 of National Instrument 52-110 - *Audit Committees (De Minimis Non-audit Services)*, the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of National Instrument 52-110.

Pre-Approved Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by category)

The aggregate fees billed by Victory's external auditor in each of the last two financial years with respect to Victory, by category, are as follows:

Financial Year Ended March 31	Audit Fees⁽¹⁾ (\$)	Audit-Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
2020	26,000	Nil	9,100	Nil
2019	30,000	Nil	5,000	1,500

Notes:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the auditor review of Victory's financial statements that are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Davidson & Company LLP, Chartered Professional Accountants, has served as Victory's external auditor since July 9, 2013.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), Victory is required to disclose its corporate governance practices. Corporate governance relates to the activities of the Victory Board, the members of which are elected by and are accountable to the Victory Shareholders, and takes into account the role of the individual members of management who are appointed by the Victory Board and who are charged with the day-to-day management of Victory.

National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Victory Board is committed to sound corporate governance practices and feels that Victory's corporate governance practices are appropriate and effective for Victory given its current size.

Board of Directors

The mandate of the board of directors of Victory, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of Victory and to act with a view to the best interests of Victory. In doing so, the Victory Board oversees the management of Victory's affairs directly and through its committee(s). The Victory Board facilitates its exercise of independent supervision over management through frequent

meetings of the Victory Board. The Victory Board is currently composed of four directors, two of whom are not executive officers of Victory and considered to be independent, as that term is defined in applicable securities legislation. Craig Roberts and Douglas Forster are considered to be independent. Collin Kettell is not considered independent by reason of his office as Chief Executive Officer of Victory. Paul Matysek is not considered independent by reason of his office as Executive Chairman of Victory. In determining whether a director is independent, the Victory Board chiefly considers whether the director has a relationship which could or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Victory Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Victory Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Victory Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Victory's business in the ordinary course, managing Victory's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Victory Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

Certain of the directors of Victory are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Paul Matysek	• Forsys Metals Corp. • Gold X Mining Corp. • Nano One Materials Corp.
Craig Roberts	• Ethos Gold Corp. • Global Battery Metals Ltd. • K2 Gold Corporation • New Found Gold Corp.
Douglas Forster	• Calibre Mining Corp. • Edgewater Exploration Ltd. • Newcore Gold Ltd

Position Descriptions

The Victory Board has not adopted written position descriptions for the Chief Executive Officer, or the Chair of the Audit Committee delineating the roles and responsibilities inherent to the position being fulfilled. Generally, the Chair of the Audit Committee is charged with fulfilling the mandate as contained in the Audit Committee Charter and is given the specific written authority

to execute the business of the Audit Committee as outlined and approved by the Victory Board. The Audit Committee Chair is charged with the responsibility of reviewing and, if necessary, changing and adapting the Audit Committee Charter to respond to developing issues and presenting the changed charter to the Victory Board for approval. The Audit Committee Chair organizes the meetings of the Audit Committee, develops and circulates agendas, conducts the meetings, records minutes, and follows-up on outstanding Audit Committee business. The Audit Committee Chair reports to the full Victory Board on each meeting of the Audit Committee and makes recommendations for specific actions and decisions.

The Chief Executive Officer's primary role is to manage Victory in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Victory Board in the context of Victory's strategic plans, budgets and responsibilities specifically detailed with a view to increasing shareholder value.

Orientation and Continuing Education

Victory has not developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with Victory by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Victory Board.

Ethical Business Conduct

The Victory Board has found that the fiduciary duties placed on individual directors by Victory's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Victory Board in which the director has an interest have been sufficient to ensure that the Victory Board operates independently of management and in the best interests of Victory.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of Victory and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of Victory or an affiliate of Victory, (ii) is for indemnity or insurance for the benefit of the director in connection with Victory, or (iii) is with an affiliate of Victory. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to Victory at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to Victory for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to Victory and the contract or transaction be approved by the Victory Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Victory Board is responsible for identifying individuals qualified to become new Victory Board members and recommending to the Victory Board new director nominees for the next annual meeting of Victory Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to Victory, the ability to devote the time required, shown support for Victory's mission and strategic objectives, and a willingness to serve.

Compensation

The Victory Board is responsible for determining all forms of compensation to be granted to the CEO and the directors of Victory, and for reviewing the CEO's recommendations respecting compensation of the other senior executives of Victory, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Victory Board considers the following issues: i) recruiting and retaining executives critical to the success of Victory and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and Victory Shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the key elements of the executive compensation program are: (i) base salary or fee; (ii) potential annual incentive award; and (iii) long-term incentive in the form of Victory Options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

Other Board Committees

The Company has created one additional standing committee, the Compensation Committee, the members of which are Craig Roberts and Douglas Forster.

Assessments

The Victory Board, as a whole, assesses its performance, the performance of its committee(s) and the contribution of individual directors on an ongoing basis. It also monitors the adequacy of information given to directors, communication between the Victory Board and management and the strategic direction and processes of the Victory Board and committee(s).

RISK FACTORS

For a discussion of the risks and uncertainties associated with the business of Nevada King and the Combined Company, please see the "Risk Factors" section in the Circular.

Victory's principal activity is the acquisition and exploration of mineral properties located primarily in the western United States. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, economic, including fluctuations in market prices for metals, financial, environmental, social, security, and political. Additionally, due to factors that often cannot be anticipated, few mineral projects successfully achieve development or commercial production. While risk management cannot eliminate the impact of all potential risks, Victory strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of Victory's business. These risks and uncertainties are not inclusive of all risks and uncertainties Victory may be subject to. Other risks may exist. Additional risks and uncertainties that Victory is not presently aware of, or that Victory currently deems immaterial, may also impair Victory's business operations.

Mining is a high risk business.

Victory's mineral property interests are of high risk and are considered to be speculative in nature. There is no certainty that the expenditures made by Victory towards the search for and evaluation of minerals with regard to its mineral property interests, or otherwise, will result in discoveries of commercial quantities of Vanadium or other minerals. Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration programs planned by Victory will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Even if commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production. Victory's operations are subject to operational risks and hazards inherent in the mineral exploration industry, including, but not limited to: variations in mineral grade; deposit size; earthquakes and other natural disasters; density and other geological problems; hydrological conditions; availability of power; metallurgical and other processing challenges; mechanical equipment performance problems; the unavailability of materials and equipment including drill rigs and fuel; labour force disruptions; unanticipated transportation costs; unanticipated regulatory changes; unanticipated or significant changes in the costs of supplies, including fuel; and, adverse weather conditions. Should any of these risks or hazards affect any of Victory's exploration activities, Victory could suffer delays or a complete stoppage of its exploration activities, which could have a material adverse effect on the business of Victory.

Exploration and Development Risks.

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure

and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Iron Point Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities.

Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Majority Shareholder Risks.

Palisades own approximately 44.0 percent of the Victory Shares on a fully-diluted basis. As a result, Palisades may have the ability to elect all of the members of the Victory Board on a regular basis and a majority of the members of the Victory Board in a contested election and thereby control Victory's policies and operations, including the appointment of management, future issuances of Victory Shares or other securities, the payment of dividends, if any, on Victory Shares, Victory's incurrence of debt, amendments to Victory's organizational documents, and the entering into of extraordinary transactions and Palisades' interests may not in all cases be aligned with your interests.

In addition, Palisades may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you. For example, Palisades could cause Victory to make acquisitions that increase its indebtedness or cause Victory to sell revenue-generating assets. Palisades is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with Victory. Palisades and its other portfolio companies also may pursue acquisition opportunities that may be complementary to Victory's business, and, as a result, those acquisition opportunities may not be available to Victory.

So long as Palisades continues to beneficially own a sufficient number of Victory Shares, even if it beneficially owns significantly less than a majority of Victory's outstanding shares, it will continue to be able to effectively control Victory's decisions. There are no contractual restrictions on Palisades and its affiliates exercise of their voting rights in Victory.

In addition, Palisades will be able to determine the outcome of all matters requiring shareholder approval and will be able to cause or prevent a change of control of Victory or a change in the composition of the Victory Board and could preclude any acquisition of Victory. This concentration of voting control could deprive you of an opportunity to receive a premium for your Victory Shares and ultimately will affect the market price of Victory Shares.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Risks Associated with Vanadium Markets

Vanadium is not an exchange traded commodity and is sold directly to end users. The profitability of the Company's vanadium operations will be dependent upon the market price of vanadium. Vanadium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of vanadium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Depending on the market price of vanadium, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with indigenous groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect

on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

Risk related to the COVID-19 Pandemic.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The effect of COVID-19 and the actions recommended to combat COVID-19 are changing rapidly.

The extent to which COVID-19 will continue to impact Victory's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity, and scope of the outbreak and the actions taken to contain or treat the COVID-19 pandemic including the availability and effectiveness of global vaccination programs. The continued spread of COVID-19 globally could materially and adversely impact Victory's business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond Victory's control, which may have a material and adverse effect on Victory's business, financial condition, and results of operations.

Victory continues to assess the impact that COVID-19 might have on its exploration operations. Overall, the key risks related to exploration activities currently relate to (a) availability of drilling and assay services; (b) the procurement of goods and potential supply chain issues; and (c) impact to both site-based personnel and head office personnel. In order to protect its employees, contractors and do our part for the safety of our communities, Victory implemented a virtual meeting strategy until further notice. Given the current uncertainty due to the COVID-19 threat and the highly volatile financial markets, drilling plans are uncertain at this time. Victory will continue to closely monitor the directives of all levels of government in both Canada and the United States and remains committed to the health and safety of its personnel.

In addition, the actual and threatened spread of COVID-19 globally could continue to have impacts on global economies and financial markets, resulting in an economic downturn, affecting the trading price of Victory Shares, and also adversely impact Victory's ability to raise capital. Any of these developments, and others, could have a material adverse effect on demand for precious and base metals and Victory's business.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will

have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Dependence on Iron Point Project

The Company's only material mineral property is the Iron Point Project. As a result, unless the Company acquires or develops any additional material properties or projects, any adverse developments affecting this project or the Company's rights to develop this property could materially adversely affect the Company's business, financial condition and results of operations.

Environmental Risks and Hazards

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Victory may hold interests on projects located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. Victory's future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which Victory holds a royalty or other interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the owner/operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous peoples. Claims and protests of indigenous people may disrupt Victory's operations.

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or

property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

Political Regulatory Risks.

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both Victory's ability to undertake exploration and development activities in respect of present and future properties, as well as its ability to continue to explore and develop those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Risks related to operating in remote locations.

Victory's properties are located in remote areas. As a result, Victory's operations and personnel may be subject to operating and safety risks arising from several factors, including, but not limited to: water scarcity, inadequate and poorly maintained roads; limited air transport options; and, deficient or non-existent public services, including communications, energy, fire department, healthcare, water, and police. These risks may compound impacts of some of the other risks identified in this document, including security, natural disasters, and social, among others.

Negative Operating Cash Flow

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Risks relating to Victory's ability to raise funding to continue its exploration, development and mining activities.

Victory has no revenues from operations and has recorded losses since inception. Victory expects to incur operating losses in future periods due to continuing expenses associated with general

and administrative costs, costs of seeking new business opportunities, and advancing its properties. Victory has finite financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to:

- generate revenues in excess of expenditures;
- reduce costs in the event revenues are insufficient; and
- secure near and long-term financing.

Historically, Victory has relied on equity financing to meet its capital requirements. Additional funds raised by Victory through the issuance of equity or convertible debt securities will cause current Victory Shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Victory Shareholders.

Victory does not have any contractual restrictions on its ability to incur debt and accordingly, Victory could incur significant amounts of indebtedness to finance its exploration activity. Any such indebtedness could contain covenants, which would restrict Victory's operations.

In light of volatile commodity prices, the limited ability of junior mining issuers to access capital markets, Victory may need to pursue alternative ways to finance its future exploration operations and seeks new business opportunities. There is no certainty that additional financing either through traditional equity and debt financing arrangements or an alternative transaction, or any combination thereof will be available at all or on acceptable terms.

Risks relating to price fluctuations in metals.

World prices for commodities fluctuate and are affected by numerous factors including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities, and therefore an economic downturn could have a negative impact on Victory.

Risks related to litigation.

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Costs of Land Reclamation Risk.

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Victory holds an interest. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Victory.

Risks relating to inadequate insurance or inability to obtain insurance.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

The possible issuance of additional Victory Shares may impact the value of Victory Shares.

Victory is authorized to issue an unlimited number of Victory Shares without par value. Sales of substantial amounts of Victory Shares (including Victory Shares issuable upon the exercise of Victory Options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Victory Shares and the ability of Victory to raise equity capital in the future.

Victory is reliant on the quality of its employees and being able to recruit and retain them.

Recruiting and retaining qualified personnel is critical to Victory's success. Victory is dependent on the services of key executives including Victory's CEO, as well as other highly skilled and experienced executives and personnel involved in managing Victory's interests. The number of persons skilled in acquisition and exploration of mining properties is limited and competition for such persons is intense. As Victory's business activity grows, Victory will require additional experienced financial, administrative and mining personnel as well as operations staff. There can be no assurance that Victory will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If Victory is not successful in attracting, training and retaining qualified personnel, the performance of its operations could be impaired, which could have an adverse impact on Victory's future cash flows, earnings, results of operations and financial condition.

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified advisors and consultants, to manage Victory's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Victory. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Victory might undertake, and legal claims for errors or mistakes by Victory's personnel.

Potential conflicts of interest.

Certain directors and officers of Victory are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures, which are potential competitors for Victory, including Nevada King. Situations may arise in connection with potential acquisitions in investment where the other interests of these directors and officers may conflict with the interests of Victory. Directors and officers of Victory with conflicts of interests will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Acquisition Risks.

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Fluctuation in Market Value of Victory Shares.

The market price of the Victory Shares, as publicly traded shares, can be affected by many variables not directly related to the corporate performance of Victory, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for the stock. The effect of these and other factors on the market price of Victory Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of Victory Shares.

Risks relating to fluctuations in foreign currency exchange rates.

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the market for vanadium is principally denominated in U.S. dollars.

Enforcement of Civil Liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of Victory to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to Victory. If increased levels of volatility and market turmoil continue, Victory's operations could be adversely impacted, and the value and price of the Victory Shares could be adversely affected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Victory is not party to any legal proceedings or regulatory actions as of the date of the Circular. Victory is not aware of any contemplated legal proceedings involving it or its operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out herein, no director or executive officer of Victory, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the outstanding voting securities of Victory, and no associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Victory.

Mr Roberts is the CEO and director of Ethos Gold Corp ("**Ethos**"). Ethos entered into an earn in agreement with the Company dated May 17, 2019 whereby Ethos can earn a 50% interest in the precious metal rights on the Iron Point Project by spending a minimum of \$ 5 million over three years. On June 16th, 2020, the earn agreement was amended so that the expenditure is incurred over 5 years.

QUALIFIED PERSON

All technical data, as disclosed in this Schedule, has been verified by Victory's qualified person, Calvin R. Herron, P. Geo.

AUDITOR

The auditor of Victory is Davidson and Company LLP, Chartered Professional Accountants, 1200-609 Granville St, Vancouver, BC V7Y.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Victory Shares is Alliance Trust Company. The register of transfers of the Victory Shares is maintained by Alliance Trust Company at its offices in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only Material Contracts entered into by Victory since the beginning of the last financial year ending before the date of this Circular or before the beginning of the last financial year ending before the date of this Circular for any material contract that is still in effect:

1. Arrangement Agreement between Nevada King and Victory dated December 14, 2020.
2. Subscription Receipt Agreement between Victory and Alliance Trust Company, the subscription receipt agent, dated December 23, 2020.

Material contracts not in the ordinary course of business are also available under Victory's profile on the SEDAR website at www.sedar.com.

INTERESTS OF EXPERTS

The independent auditor of Victory, Davidson and Company LLP, Chartered Professional Accountants, provided an auditor's report dated June 17, 2020, in respect of the Victory Annual Financial Statements.

As at the date hereof, Davidson and Company LLP, Chartered Professional Accountants have reported that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

EXHIBIT 1 TO APPENDIX H

IRON POINT PROJECT

INFORMATION CONCERNING THE PROPERTY

Source of Information and Data

The following is a summary of the Technical Report for the Iron Point Vanadium Project, referred to in this Exhibit as the “**Property**”, located in Nevada, USA. The Technical Report is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Property.

The January 31, 2019, Casino Gold, Brownstone and Ripper completed the Reverse Takeover at which time Ripper acquired all of the issued and outstanding securities of Brownstone from Casino and changed its name to “Victory Metals Inc.” References to “Casino” in this Exhibit are references to Casino Gold Corp., the indirect owner of the Iron Point Project at the time the Technical Report was produced. Definitions contained in this Part and not otherwise defined in this Circular, shall have the meanings ascribed to such definitions in the Technical Report.

Property Description and Location

The Property is located in north-central Nevada in Humboldt County along the I-80 transportation and power corridor, 35 air kilometers east of Winnemucca and 131 air kilometers west of Elko (Figure 1). The project area is centered at UTM Zone 11N geographical coordinates 472,000E, 4,531,000N (Lat 40.935°, Long - 117.327°) and contains 594 lode claims covering approximately 11,000 acres (4,452 hectares). The largest nearby town, Winnemucca, hosts a population of about 8,000 and provides workforce and services for nearby, large-scale gold and silver mining operations. The project is ideally located for easy, year-round access and close proximity to major highway and railroad lines, electrical power, water, and support services.

Geologically speaking, the Property is located within the Basin and Range Province, and the vanadium mineralization is hosted in upper plate, Ordovician-age Vinini Formation siliceous black shale, argillite, and siltstone. This eastward-thrusted basinal assemblage is considered part of the Roberts Mountain Allochthon and is underlain by the Roberts Mountain Thrust.

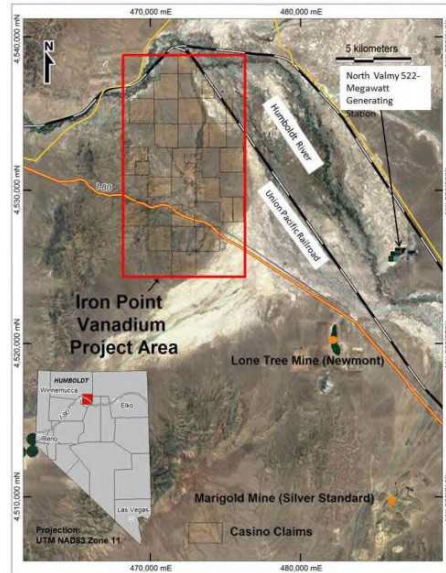


Figure 1: Iron Point Vanadium Project location map in Humboldt County, Nevada, USA.

Mineral Titles

Iron Point occurs within the “checkerboard” pattern of land ownership that was originally established in the 1860s to promote construction of the transcontinental railroad. This portion of the railroad corridor largely follows the Humboldt River, which forms a broad, east-west depression across northern Nevada and served as the main route for early explorers, gold seekers, and settlers in their drive westward. Alternating square mile (sections) plots of federal land were deeded to the Central Pacific Railroad while the government retained the intervening sections. In addition to these railroad grants, federal lands were also granted to early settlers for farming and grazing purposes via a variety of Homestead Acts. All of these private parcel grants usually included both surface and subsurface rights, including minerals. In succeeding years, the railroad surface rights were sold to land companies and farmers/ranchers, while Newmont USA Ltd. (“Newmont”) subsequently acquired mineral rights to many of the old railroad sections with its purchase of Santa Fe in the late 1990s.

Mineral title on the remaining federal lands within the railroad checkerboard was originally addressed by the 1872 Mining Act, which granted mineral title via the staking of lode, placer, and other types of claims for mineral development. Historically, mining claims start out as being unpatented, meaning only mineral title is granted, but if the prospect became economically significant, the claim could be patented, in which case both mineral and surface titles are granted. Patents are now seldom granted, but in earlier times patented mining claims covered large areas of old mining districts and account for significant privatization of federal lands in areas like the Comstock lode of western Nevada and all along the Mother Lode Belt of California.

In the case of hard rock hosted vanadium, lode claims measuring 1500 feet long by 600 feet wide with no depth restrictions are used to secure mineral title on federal lands open for mineral location. Unpatented lode claims such as those located by Casino at Iron Point only convey mineral title and do not include surface and water rights. Individual claim boundaries are marked by wooden posts that are typically arranged in uniform groups to form large claim “blocks”. Each year, the US Bureau of Land Management (BLM) requires a \$155 USD maintenance fee (or rental fee) be paid on each claim prior to September 1 to maintain the claim for the succeeding year

(Appendix B of the Technical Report). If maintenance fees are not paid by the end of August, then the claims become null and void and mineral title is lost. In addition to annual rental payments to the BLM, each county in Nevada requires a Notice of Intent to Hold be filed annually on all mineral claims. The county filing cost per lode claim is currently \$12 USD. Neither the US Government nor the counties or states retain any royalties on mining claims located on federal lands.

Iron Point Property

Casino currently maintains 594 unpatented lode claims at Iron Point, encompassing about 11,000 acres (4452 hectare) and covering most of the historical vanadium exploration targets, together with potential extensions to the north and south. As shown in Figure 2, Casino's claims are intermixed with checkerboard sections of private minerals owned by Newmont.

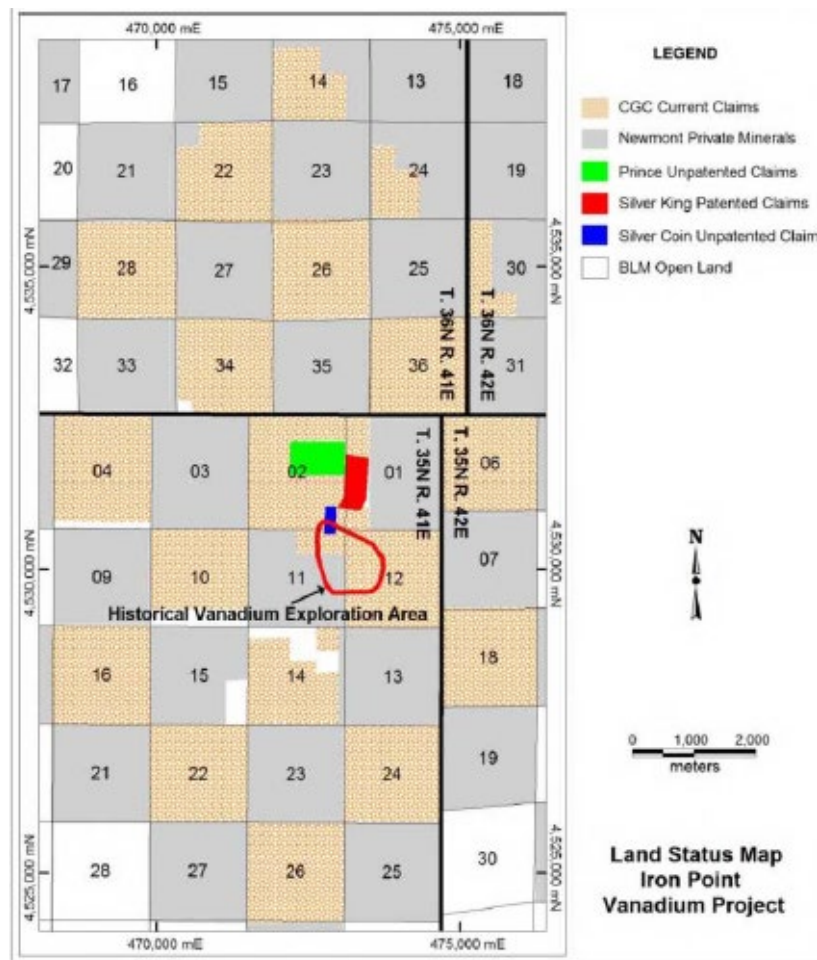


Figure 2: Location of Casino lode claims within Project area relative to third party lands. Red circle denotes zone of concentrated historical vanadium exploration activity encompassing drilling and trenching.

In addition to Newmont's private minerals, four patented mining claims and several unpatented mining claims owned by third parties are present within Casino's project area.

Figures 3 - 5 show the distribution of Casino's lode claims within the Iron Point project area relative to third party mineral rights/claims. The list of Casino mining claims (594 total) with BLM registration numbers is contained in Appendix C of the Technical Report, together with copies of current BLM and Humboldt County receipts for the 2019 Maintenance Year. Casino acquired 65 lode claims covering much of the vanadium target zone from Nevada Sunrise LLC in 2017 which have been subsequently incorporated into Casino's land package. The quitclaim deed from Nevada Sunrise LLC and BLM filing receipts documenting the transfer of interest are contained in Appendix D of the Technical Report. Casino owns a 100% interest in all 594 claims and there are no third-party royalties, interests, or encumbrances. The project is situated entirely on public land administered by the Winnemucca District Bureau of Land Management (BLM), and no easements or rights of way are required for accessing the Property.

There are no other known significant factors and risks besides those noted in this report that may affect access, title, or the right of ability to perform work on this property. Minor deficiencies with respect to title were noted in the legal opinion by Reno based law firm Erwin Thompson Failers dated November 28, 2018. Casino has informed the author that these minor deficiencies are being resolve.

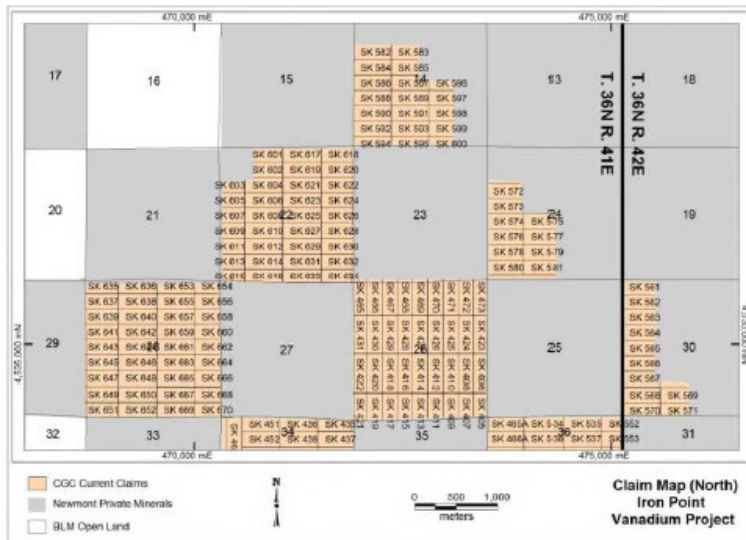


Figure 3: Northern tier of Casino lode claims in the project area relative to Newmont's private mineral sections and open BLM lands.

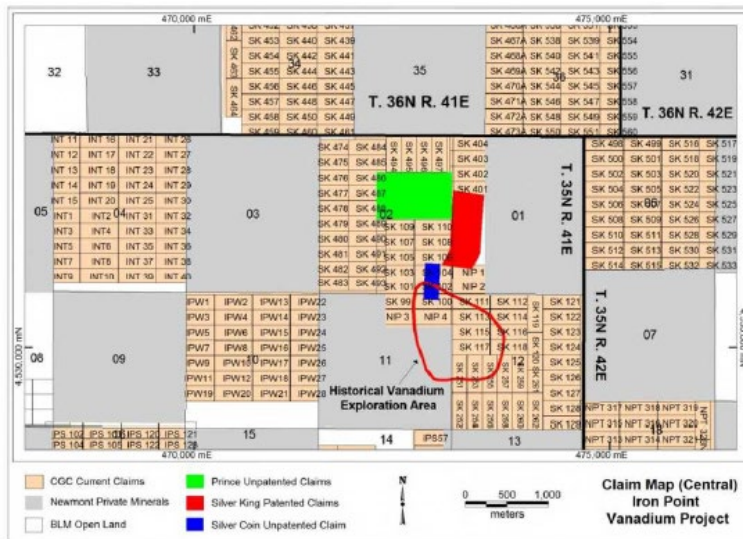


Figure 4: Central tier of Casino lode claims in the project area relative to Newmont's private mineral sections and third-party claims.



Figure 5: Southern tier of Casino lode claims in the project area relative to Newmont's private mineral sections and open BLM lands.

Location of Mineralization

Vanadium mineralization at Iron Point is hosted by carbonaceous zones within the Ordovician-age Vinini Formation. Figure 6 shows the distribution of vanadiferous Vinini Formation rocks exposed within the project area relative to Casino's claim block, Newmont's private minerals, and third party claims. The exposed Vinini Fm. rocks trend northerly over a strike length of 4,500m and across a width of about 800m. The historical vanadium exploration is predominantly contained within Casino's claim block, however Newmont controls a portion of it.

In Figure 7, historical drilling within the vanadium exploration zone is shown relative to Casino's claims and historical ground disturbances. The Newmont holes were drilled in 1966 for vanadium and tested the NW- extension of higher-grade vanadium mineralization exposed in a series of deep trenches that show up as a NE- trending arrangement of black "slashes" that cutting across

claims SK-115 and SK-117 in the Figure. Casino's 2018 channel sampling program initially focused on strongly carbonaceous shale exposed in these trenches and confirmed values over 5-foot lengths exceeding 1% V₂O₅. The Aur Resources (USA) Inc. holes were drilled in 1996-97 for gold but included vanadium in the geochemical panels. Aur was testing a series of N-S shears controlling Au-As-Sb-Hg anomalies within silicified portions of the vanadiferous shale zone.

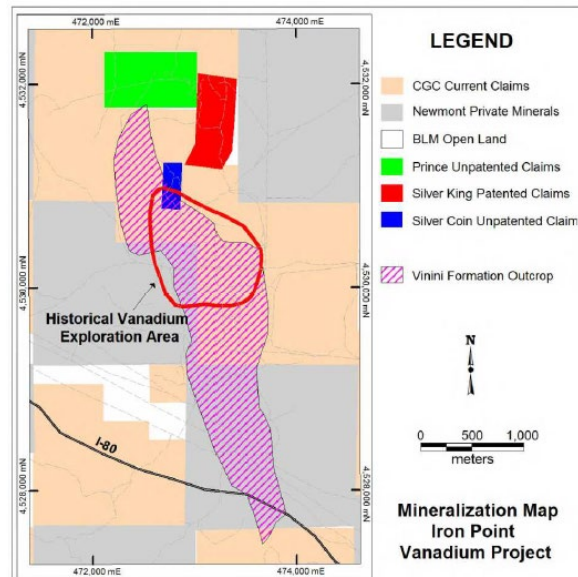


Figure 6: Location of vanadium-bearing Vinini Formation rocks exposed within the Property relative to land status and local infrastructure. Geology from Erickson and Marsh, 1974.

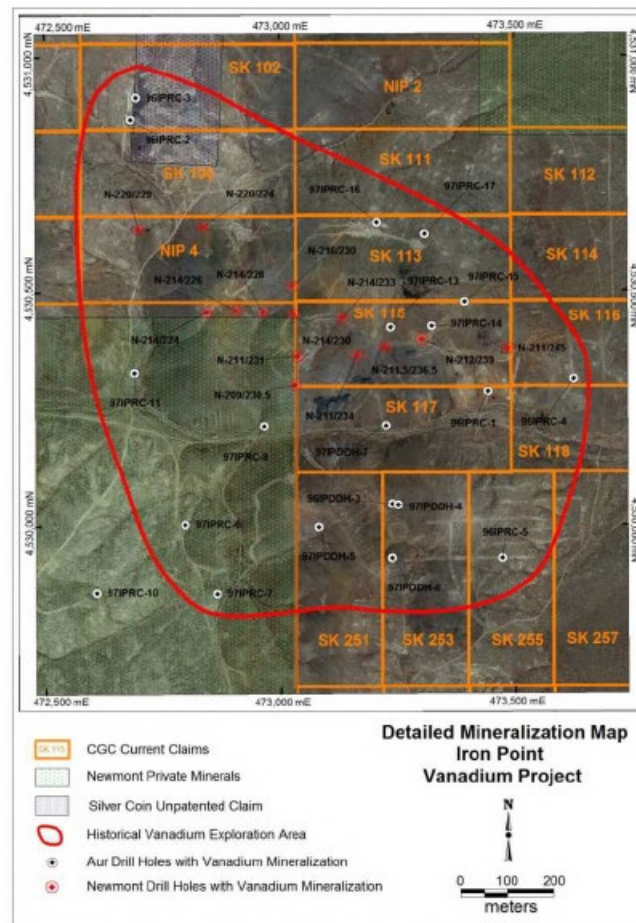


Figure 7: Location of historical drill exploration for vanadium at Iron Point relative to Casino's mining claims and third-party lands. Newmont holes were drilled in the 1960s for vanadium, while Aur Resources (USA) Inc. holes were drilled in 1996-97.

Royalties, Agreements and Encumbrances

Casino is sole owner of the 594 lode claims comprising the Iron Point Property and there are no royalties or agreements with third parties, nor are there any encumbrances on the Property.

Following the closing of the Reverse Takeover, Casino will retain a 1% net smelter royalty over the entire property. Ripper shall not have a buyback clause; however, Ripper will have a right of first refusal on the purchase of the royalty.

Environmental Liabilities and Permitting

The Property is located on Multiple Use BLM lands administered by the Winnemucca District Office and is subject to surface management regulations contained in 43 CFR 3809. All mineral-related exploration or mining activities must be permitted either under a Notice (less than 5 acres of disturbance) or a Plan of Operation (exceeds 5 acres of disturbance).

An environmental assessment report dated October 3, 2018 was produced for the Property by consultants with EM Strategies, a consulting group based in Reno, Nevada. The Property is a relatively undeveloped site with no fatal flaw issues identified and historic exploration and mining

centers exist in the east central portion of the Property. As is typical with almost all properties in Nevada there is the potential for the presence of cultural resources. These resources if identified as eligible, may be mitigated through a well-defined process such that they would not impede development. For species that are managed by the Bureau of Land Management or the Nevada Department of Wildlife there are also well-defined mitigation methods to address potential impacts should a species of interest be present. In general, there are systems in place for managing these issues that are well established in Nevada. The report is included in Appendix K of the Technical Report.

No significant environmental liabilities have been identified in the environmental assessment. A local rancher leases the grazing rights from the BLM within the project area, but these rights do not impact Casino's mineral rights or operations.

Required Permits and Status

Casino is currently operating its exploration program at Iron Point under a Notice – case file #NVN-097176 – approved by the Winnemucca District BLM Office on Sept. 6, 2018. This Notice approves a 50 RC drill hole program disturbing 3.86 acres and is contained in Appendix E of the Technical Report. Casino established a \$30,000 USD reclamation bond with the Nevada State BLM Office and is now approved for operations. The bond approval letter is included in Appendix H of the Technical Report.

Compliance

As at the date of the Technical Report, Casino had not started its drilling program at Iron Point. However, once operations commence, compliance will be monitored and enforced by the Winnemucca District BLM Office.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Topography

Iron Point is located at the northern end of the Edna Mountains and consists of several northerly trending, low rolling hills that terminate abruptly against a range-front fault that bounds the project area's eastern margin and produces an abrupt escarpment (Figure 8). Elevations typically vary from 1450 to 1600m and rugged terrain occurs in areas capped by eroding basalt flows.

The project is sparsely vegetated with low sage, rabbit brush, and cheat grass.



Figure 8: View of fault escarpment bounding eastern margin of project area. View is looking westward from Pumpnickel Valley at the basalt cap on top of the Vinini Formation.

Climate and Length of Operating Season

The climate is arid and typical of the high-desert regions of Central Nevada, with hot dry summers and cold snowy winters and more than 300 days of sunshine annually. Average annual temperature is around 5°C, with summer temperatures typically around 27°C and winter temperatures ranging between -12°C to 4°C. Summer high temperatures commonly reach 38°C. Average precipitation is about 25 cm, mostly in the form of snow in the winter and occasionally rain in the spring and fall. Overall, the ground is fairly well drained, so exploration can proceed during frozen and wet months. Dry, windy conditions in the late summer set up conditions for wild fire, which is a hazard that must be continually guarded against.

All-in-all, operations at Iron Point can proceed on a year-round basis. Snow and mud are seldom a problem.

Access to Property

The entire project area is covered by a network of dirt tracks and jeep trails that are easily accessed from the Iron Point exit on Interstate 80 (Figure 9). Existing drill roads and prospect cuts provide adequate access for Casino's proposed drilling program within the area of historical vanadium exploration. Areas lacking existing roads are relatively flat and readily accessible by 4-wheel drive vehicles and all-terrain drilling equipment.

Surface Rights

The Project consists of unpatented mining claims, the surface rights of which are owned by the United States and administered by the Department of Interior, Bureau of Land Management (BLM). Public access is guaranteed to these multiple use, public lands. The surface rights to surrounding private parcels are owned by New Nevada Lands LLC and the mineral rights are held by Newmont.

Local Resources and Infrastructure

Located 35km to the west, Winnemucca is the closest town with significant businesses and services to support an exploration or mining program. Winnemucca boasts a population of 7,900 people mainly working in ranching, mining, government, and service-related industries. The town has supported numerous major gold and silver mines over the past 40 years and is an important transportation and supply center for northern Nevada.

Access Road and Transportation

The Project area straddles US Interstate 80 (I-80) – a major E-W transcontinental highway. From the Iron Point exit on I-80, dirt roads and jeep trails head north and south into all portions of the Property. The Union Pacific Railroad runs around the northern end of the Property. Regularly scheduled air passenger service is available in Reno, Nevada (260 air-kilometers to the southwest) and in Elko, Nevada (130 air-kilometers to the east).

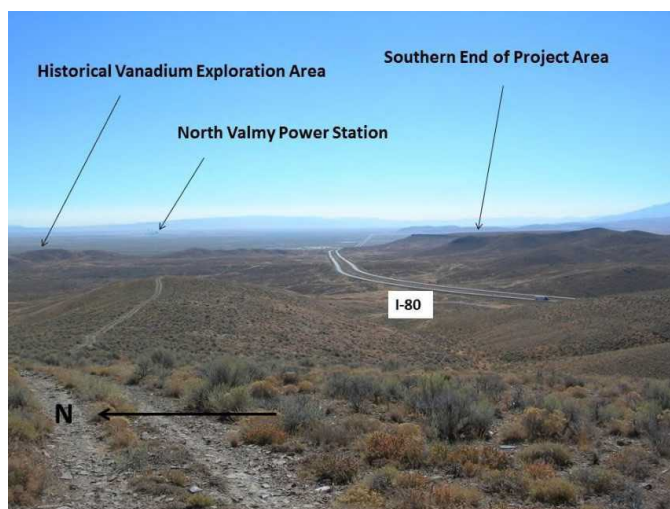


Figure 9: View to east along I-80 corridor, showing position of Iron Point Project relative to the highway and to the 522-megawatt North Valmy Generating Station.

Power Supply

The Project site does not have electrical service, but electrical power is readily accessible. The 522-megawatt North Valmy Generating Station (Figures 9 and 10), located 15km east of the Property, feeds readily accessible, high-voltage transmission lines that run along the I-80 corridor and cross the southern end of the project area.

Water Supply

There are currently no developed water supply or water rights attached to the project. Wells can be drilled in the future for sustained drilling but exploratory drilling will rely upon trucked in water and temporary reservoirs.

Buildings and Ancillary Facilities

There are no buildings or ancillary facilities at the Project.

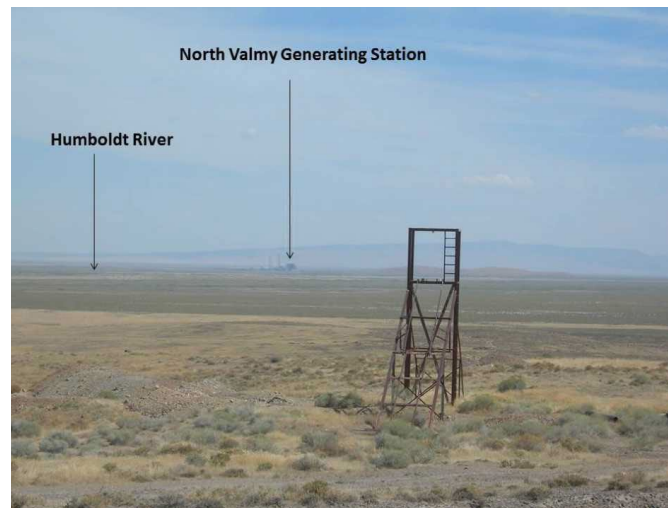


Figure 10: View to east across Pumpernickel Valley of the Humboldt River plain and the North Valmy Generating Plant. Photo taken from Casino's claim block within the Historical Vanadium Exploration Area.

Tailings Storage Area

There are currently no tailings disposal areas located on site, although there are several areas within the project area located on BLM and private land that could be used.

Waste Disposal Area

There are currently no waste rock disposal areas located on site, although there are several areas close to the Project that could be used for future waste rock disposal, both on BLM land and private land.

Manpower

Winnemucca and Elko, Nevada are the closest towns with a significant population to provide manpower for a mining operation. Both towns currently support numerous large-scale mining operations.

HISTORY

Ownership

Modern claim ownership started with Nevada Sunrise LLC ("NSL") in 1998 with the location of SK 99-110 lode claims that covered much of the old workings at the center of the Iron Point Mining (IPM) District (see Figure 7). Nevada Sunrise was primarily interested in gold and silver, and as prior claims owned by other parties were dropped, NSL gradually expanded its claim block to a total of 65 claims from 1998 to 2003. This block covered most of the historical gold exploration work conducted by numerous companies from the late 1970s to about 2000, and it also happened to cover most of the area that had been historically explored for vanadium during the 1940s through the 1960s. Miranda USA Inc. initiated claim staking around the NSL ground in 2005 and

eventually by 2011 covered the northern end of the Edna Mountains with 466 lode claims. Miranda subsequently dropped all of its claims around Iron Point in 2015, leaving only the NSL block (Nevada Sunrise LLC), the Silver Coin (Norman Tintle, local prospector) unpatented claim, and six Prince unpatented claims (Walter Marting Jr., local prospector).

Upon the release of the Miranda claims Casino initiated staking within the Iron Point District in 2016, starting with the NPT and IPW claims on the west of NSL's block, and later moving southeastward with the IPS claims. Casino purchased NSL's 65 claims in 2017, acquiring a 100% interest with no NSR or other reservation being retained by NSL. As part of the purchase, Casino also acquired an extensive historical database that included all of the core and RC drill data from Aur Resources (USA) Inc.'s 1996-1997 gold exploration program, which just happened to be centered on the Historical Vanadium Exploration Area. Upon completion of the NSL claim purchase, Casino expanded its claim position around the NSL claim block and as of August, 2018 now owns 594 lode claims within the project area.

While cataloguing the historical data, Casino ran across a report provided by Miranda Gold Corp. containing references to a 1966 Newmont drill program that focused on the vanadium mineralization exposed in the Historical Vanadium Exploration Area. Having its curiosity piqued, Casino then went through the Aur Resources drill data and found a number of holes that had been analyzed for vanadium as part of a geochemical panel. Upon examination, it was evident that potentially economic vanadium grades and thicknesses were present within the Historical Vanadium Exploration Area, and at this point Casino's interest at Iron Point shifted from gold to vanadium. It was also at this point that Newmont's mineral rights on the privately-owned sections became important, as the vanadium mineralization clearly trends westward within the Historical Vanadium Exploration Area and onto Newmont's ground, albeit at greater depth.

Past Exploration

The Iron Point District has been extensively explored for precious and base metals by a wide variety of major and junior mining companies starting in the 1960s, and the overwhelming lion's share of historical exploration data deals exclusively with gold. In stark contrast, exploration for vanadium occurred during World War II and into the 1960s, and very little historical data survived. Much can be said regarding gold exploration at Iron Point, but this report will only address the past exploration for vanadium.

Type and Extent of Historic Drilling

To date there has been over 4,704 meters of core and RC drilled directly on the Iron Point Vanadium zone in approximately 35 holes (historical records are not consistent). Holes were RC or wireline core, or in some cases a combination of both. Full core information is not available for 5 of the historical holes, as the records were lost, and no casing remained on site. For these holes the approximate location of the DDH was gathered from historical maps and field observations.

The historical drilling that was completed in the area by Newmont Mining was in 1966. No information is available on these holes in the public record for this report. The majority of the holes drilled on the Iron Point Vanadium zone were drilled by Aur Resources in 1997 (Figure 11), with the remaining holes being drilled by Chevron and Molycorp. Casino and the QP's are not aware of any records remaining of the Chevron and Molycorp holes.

Aur completed 15 holes totaling 3,817 m of drilling. Drilling consisted of 7 holes of wireline diamond drilling totaling 2,013 m, and 8 holes of RC drilling, totalling 1,804m. Core and pulps are still available and have been reanalyzed by American Assay Laboratories. Relogging of these historical holes for geological accuracy is still ongoing at the time of writing this report. A map of the Historic Drill Hole Locations is provided as 6-1 and the table of historical drilling on the Iron Point licences is provided in Table 1.

Table 1: Historical Drilling

Hole ID	Project	UTM_E	UTM_N	Projection	Year_Drilled	Company	Total Depth (M)	AZI	Dip	Drill_Type
96IPDDH-1	Iron Point	473494.46	4530054.57	NAD 83, Zone 11	1996	Aur	245	90	-60	Core
96IPDDH-2	Iron Point	473399.66	4530052.17	NAD 83, Zone 11	1996	Aur	305	90	-60	Core
96IPDDH-3	Iron Point	473237.26	4530046.77	NAD 83, Zone 11	1996	Aur	305	90	-60	Core
97IPDDH-4	Iron Point	473250.06	4530044.27	NAD 83, Zone 11	1997	Aur	303	0	-90	Core
97IPDDH-5	Iron Point	473080.56	4529997.37	NAD 83, Zone 11	1997	Aur	305	90	-70	Core
97IPDDH-6	Iron Point	473237.67	4529930.84	NAD 83, Zone 11	1997	Aur	281	90	-60	Both
97IPDDH-7	Iron Point	473225.46	4530212.88	NAD 83, Zone 11	1997	Aur	268	90	-60	Core
96IPRC-1	Iron Point	473443.36	4530285.07	NAD 83, Zone 11	1996	Aur	277	0	-90	RC
96IPRC-5	Iron Point	473471.87	4529929.98	NAD 83, Zone 11	1996	Aur	256	0	-90	RC
97IPRC-12	Iron Point	473225.46	4530212.88	NAD 83, Zone 11	1997	Aur	268	90	-60	RC
97IPRC-13	Iron Point	473235.26	4530421.98	NAD 83, Zone 11	1997	Aur	212	90	-60	RC
97IPRC-14	Iron Point	473322.76	4530424.68	NAD 83, Zone 11	1997	Aur	204	90	-60	RC
97IPRC-15	Iron Point	473393.06	4530478.47	NAD 83, Zone 11	1997	Aur	195	80	-60	RC
97IPRC-16	Iron Point	473206.16	4530648.07	NAD 83, Zone 11	1997	Aur	183	90	-60	RC
97IPRC-17	Iron Point	473308.06	4530622.17	NAD 83, Zone 11	1997	Aur	209	90	-60	RC
IP90-1	Iron Point	473427	4530228	NAD 83, Zone 11	1997	Chevron	Unknown	Unknown	Unknown	Unknown
C-1	Iron Point	473039	4530448	NAD 83, Zone 11	Unknown	Molycorp	888	Unknown	-90	RC
C-2	Iron Point	473316	4530386	NAD 83, Zone 11	Unknown	Unknown	Unknown	Unknown	-90	RC
C-8	Iron Point	473452	4530157	NAD 83, Zone 11	Unknown	Unknown	Unknown	Unknown	-90	RC
Name Unknown	Iron Point	473310.27	4529881.76	NAD 83, Zone 11	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Name Unknown	Iron Point	473356.28	4530436.66	NAD 83, Zone 11	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Name Unknown	Iron Point	473168.96	4530621.25	NAD 83, Zone 11	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

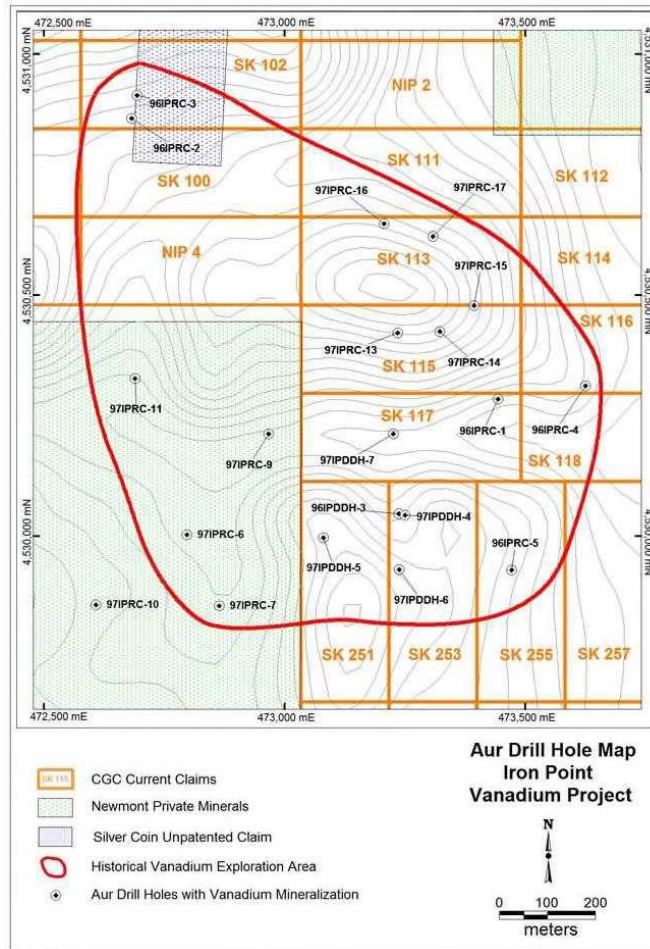


Figure 11: Historic drill hole location map for 1996-1997 Aur Resources (USA) Inc. gold exploration program. Vanadium analyses were performed as part of the geochemical panel. Casino was able to re-assay the preserved drill pulps and core for most holes.

Procedures on Historic Drilling

There is no detail describing the specific drilling procedures used at the Project by Aur Resources. The results of the Historic Drilling were recorded in hand by written logs, which were scanned, and copies retained by Casino.

The Aur drilling results were all recorded on standard handwritten drill logs which were later scanned and compiled with assay results. The drill logs contain specifics information pertaining to:

- Hole number,
- local x, y coordinates,
- elevation,
- claim location,

- hole orientation,
- the date drilling started,
- the date drilling completed,
- the total depth,
- the logged by field, and
- the summary of results.

Each 5 ft interval is also described by:

- from-to data,
- the interval length,
- Grades, including Au ppb and Cu ppm,
- Alteration,
- Mineralization,
- Structure
- Geology and comments.

Typical comments in the available logs relate to rock types, color, recovery, and drilling conditions. The drilling methods used by Aur were typical of the time the exploration was completed in 1997. There is no direct evidence that there was a problem at the Project in regard to drilling; however, without the benefit of modern confirmation drilling there remains a large amount of uncertainty with respect to sample integrity. In the opinion of the QP's, the samples produced by the Aur rotary drilling are adequate for use by Casino for targeted drilling to identify a potential resource. However, given the current levels of historical sampling, the uncertainty in the QA/QC at that time, and the known core loss for the areas of mineralization, this data should not be relied upon to produce a resource at this time.

Results of Historic Drilling

Aur Resources drilling revealed an area of significant vanadium enrichment within a circular area roughly 1000m in diameter. The Depth of mineralization ranges from the surface down to 200m and greater in places. Several different vanadium horizons are seen the drill data, and they all appear to dip gently westward, following the predominant structural grain. The vanadiferous zone is either down-dropped on the east side of the Property in response to range front faulting, or is folded over into an eastward-dipping limb.

Sample Preparation and Assaying Methods of Historic Sampling

There is no information currently available which describes the sample preparation methods by Aur Resources. The samples were analyzed by American Assay Laboratories using a Fire Assay and Atomic Absorption for Gold and Silver mineralization, while some holes had multi element

geochemical testing done that usually included vanadium. The geochemical panel used for the vanadium analyses is identified as AAL 01-2 ICP 30 element package, involving digestion of 0.5g of pulp using hydrochloric and nitric acid at 95oC for one hour, with analysis by ICP. All results and original certificates are available and in possession by Casino.

Testing Laboratories

Testing of the Aur Resources historical drilling was done at the time of drilling by American Assay Lab of Reno, Nevada, which is still operating today and maintains an ISO/IEC 17025 Accreditation.

Quality Assurance and Quality Control

The existing assay certificates do not contain any data for internal duplicates or standards. No comments can be made to the accuracy or certainty of the Aur historical results. Casino reran the intervals of interest focusing on Vanadium only. These results are discussed above (“Results of Historic Drilling”).

Interpretation

The analytical results produced by Aur Resources are adequate for reference purposes only. Any data gathered from their holes should be relogged or twinned to verify its accuracy. At this time, they are not sufficient to support a resource.

Historic Mineral Resource and Reserve Estimates

There have been no historic mineral resource or reserve estimates reported for this project that can be documented or reported in any extent by the report QP’s.

Historic Production

There has been no reported historic production from this project.

GEOLOGIC SETTING AND MINERALIZATION

Regional Geology

The Iron Point Property is located on the eastern flank of the Edna Mountains, which occur as a faulted horst within the Basin and Range Province. Basement rocks consist of two Paleozoic-age marine assemblages that formed along the western margin of the North American Craton. During the Cambrian through Devonian, shelf sediments consisting dominantly of shale and carbonates formed an Eastern Assemblage, while further to the west, eugeosynclinal siliceous rocks dominated by chert, quartzite, and intermediate to mafic volcanics formed what is termed the Western Assemblage (Thorman 1991). During the Late Devonian to Early Pennsylvanian, collision of the Antler arc with the North American Craton resulted in eastward thrusting of the Western Assemblage over top of the Eastern Assemblage along a major structure usually identified as the Roberts Mountains Thrust. This Western Assemblage is often referred to as the Roberts Mountains Allochthon. In the Late Permian to Early Triassic, another stage of eastward-directed compression during the Sonoma Orogeny formed the Golconda Allochthon in which eugeosynclinal siliclastic-volcanic rocks were thrust over the shallow marine Antler sequence. Another orogenic pulse in the Cretaceous resulted in widespread plutonism and metamorphism

that continued into the Early Tertiary. Starting in the Eocene, regional compression gave way to an extensional regime that resulted in widespread silicic to mafic volcanism and ultimately culminated in the basin and range topography seen today.

Property Geology

The project area consists of Lower Paleozoic, Western Assemblage rocks belonging to the Roberts Mountains Allochthon that are unconformably overlain by Tertiary gravels and finally Pliocene basalt. A major range- front fault bounds the Property along its eastern margin, and another major fault on the western side juxtaposes Cambrian Prebble Fm. shale against the Western Assemblage lithotypes. According to Willden (1964) the Prebble Fm. is unconformably overlain by an extensive sheet of Golconda Allochthon siliclastic- volcanic units that are exposed immediately west of the project area. These lithotypes are completely absent from the project area yet so close, so the fault separating Prebble from the Western Assemblage at Iron Point must be responsible for a large vertical displacement between these blocks, with the west side having been down-thrown.

The vanadium mineralization occurs within the upper part of the Western Assemblage, within the Ordovician- age Vinini Formation. Vanadium mineralization is reported at the Silver King Mine (USGS MRDS, Garside 1984) within the underlying Comus Fm. limestone, but this mineralization may be strictly supergene and exotic. A Cretaceous quartz diorite sill intruded Western Assemblage units within the central part of the project area and created an extensive contact-metamorphic halo that resulted in skarnification, hornfel alteration, and carbon remobilization. Carlin-type gold mineralization related to a Tertiary-age, low- temperature hydrothermal system produced widespread anomalous Au-As-Sb-Hg mineralization that was the focus of numerous historical exploration efforts throughout the district.

Local Lithology

The following lithologic descriptions are cited from Erickson and Marsh (1974), and the generalized geologic map is shown in Figure 12. Descriptions are from oldest to youngest.

Prebble Formation (Cp, Cpl)

A thick, monotonous sequence of fissile shale and interbedded limestone belonging to the Cambrian-age Prebble Formation constitutes the basement rocks along the project area's western margin. The unit is clearly overlain by the Golconda Allochthon to the west, but the (presumably) fault contact with the Vinini Fm. on the east is difficult to explain, as it juxtaposes two very different geological terrains. The drill logs for Aur Resources' core and RC holes (Jones 1997) indicate altered Prebble Fm. shale overlain by Vinini Fm. argillite and shale, which would place the Roberts Mountains Thrust at this contact. However, the rocks logged by Aur as Prebble could very well be Vinini Fm., as high vanadium values are often found in this rock.

Comus Formation (Oc, Ocl)

Middle and Lower Ordovician Comus Fm. is well exposed around the northern end of the project area where it forms a high, resistant ridge that becomes covered by basalt further north. The lower part of the unit consists of thin-bedded black chert interbedded with dolomite and is underlain by laminated to platy siltstone. The upper part of the unit is characterized by fine-grained, finely laminated silty dolomite and dolomitic siltstone. The rock is strongly silicified along a north-south trending breccia and quartz vein zone that hosts precious and base metals (and exotic?

vanadium) at the Silver King Mine. However, unlike the overlying Vinini Fm., the Comus Fm. is not known to be vanadiferous, averaging a background value of about 14ppm V (Bloomstein 1989).

Vinini Formation (Ov, Ovg)

Black to dark gray, thin-bedded chert interbedded with dark, locally carbonaceous shale and siltstone were mapped as the Middle and Lower Ordovician Vinini Fm. The unit hosts vanadium mineralization, particularly in the more carbonaceous zones, and is strongly contorted and deformed. Tight isoclinal folds overturned to the east are well exposed along road cuts and in trenches, and a gentle to moderate west dip to the structural package is evident. According to an investigation by J.D. Vine (1964) the higher grade vanadium mineralization appears to dip 35° to the northwest. Throughout the unit, vanadium values typically exceed 200ppm V and reach as high as 8000ppm V in Casino's trench samples. Portions of the unit consist primarily of fine to medium-grained gray quartzite, but vanadium values obtained from quartzitic outcrops are still significant (i.e. >500ppm V).

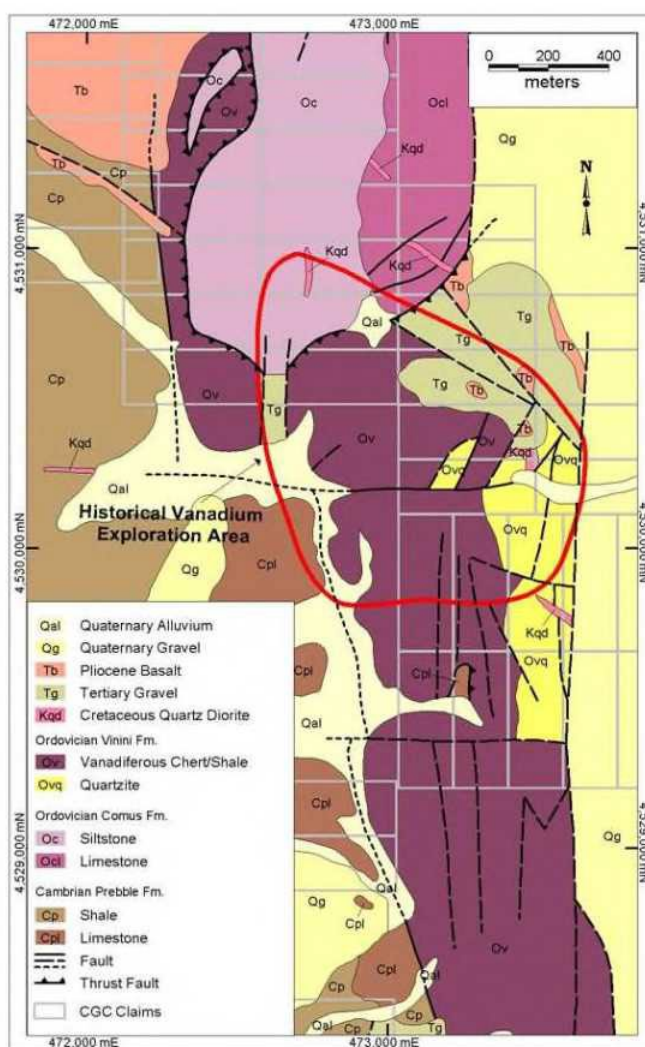


Figure 12: Geology of the Iron Point Vanadium Project (from Erickson and Marsh, 1974).

Cretaceous Quartz Diorite Intrusive (Kqd)

Light greenish, medium-grained porphyritic quartz diorite forms narrow dikes and sills at the surface and is shown by drilling to form a large, west-dipping sill that underlies much of the Historical Vanadium Exploration Area. At the surface, the intrusive bodies are strongly bleached and altered to clay and sericite. In core, the outer margin of the sill is strongly altered and typically sulfidized, but alteration drops within the body's interior. Contact metamorphism within the adjacent Vinini Fm. chert, shale, and quartzite is readily apparent, and skarnoid alteration is common in more calcareous rocks. Carbon was mobilized out of shaley and silty portions of the Vinini near the sill contact, but it is unclear if vanadium was mobilized as well.

Tertiary Gravel (Tg)

High bench gravels, typically capped by basalt flows, occur along the project area's eastern flank, where range-front faulting dropped Pumpnickel Valley and localized thick, well-rounded gravels consisting of eroded Western Assemblage and Golconda Allochthon lithotypes. The ensuing strand lines formed along the edge of the ancestral Lake Lahontan are evident in Figure 8, where basaltic blocks are draped over a thick bench of gravel. Deep RC holes drilled east of the range front fault document several hundred feet of older gravel that rapidly thickens eastward.

Pliocene Basalt (Tb)

Black, weakly vesicular olivine basalt flows cap high ridges along the project area's eastern margin and form a broad, gently northward-dipping plateau across the northern end of the Property. The range front fault bounding the western side of Pumpnickel Valley evidently created a northward trending paleo-topographic depression that filled with basalt and subsequently resulted in the inverted topography seen today. Basalt thickness reaches a maximum of 60m and covers much of the southern and northern ends of the project area, but the basalt was important in that it protected the underlying, non-resistant vanadium host rocks from being eroded. If the basalt had not been there, most of the vanadium mineralization would probably have been eroded away.

Quaternary Gravel and Alluvium (Qg, Qal)

Locally derived fan gravels (Qg unit) form benches along interior drainages and cap ridges west of the project area within the central part of the Edna Mountains. Alluvial gravel and sand (Qal) mixed in places with windblown sand cover modern valley floors and canyon bottoms.

Alteration

Primary deposition of vanadium within the black shale host is generally attributed to concentration of vanadium in restricted marine basins over time and precipitation within euxinic shale and siltstone possessing abundant reductants. In this type of deposit, alteration (if any) is very subtle. However, alteration that clearly post-dates primary vanadium mineralization is strongly evident at Iron Point and may have re-mobilized vanadium and re-precipitated it in adjacent rocks possessing high carbon and/or high sulfide contents. Contact metamorphism related to the Cretaceous quartz diorite and younger alteration related to epithermal activity both post-date the vanadium mineralization within Ordovician-age Vinini host rocks. Carbon removal from Vinini shale and siltstone by these alteration processes proximal to intrusions and faults is seen in the Aur core holes, and much of the sooty, soft carbon seen in the core and trenches may be secondary carbon (Figure 13), similar to what is seen in the surrounding, sediment-hosted gold

deposits. Higher vanadium values are seen within these sooty, carbon-rich zones and in strongly broken, sulfide-rich siltstone and shale within fault zones. This raises the question of whether these higher vanadium values can be attributed to mobilization and re-deposition of vanadium proximal to the quartz diorite sill and to bleached, silicified shear zones that served as conduits for Tertiary-age hydrothermal activity. Only an in-depth investigation will answer this question.



Figure 13: Strongly contorted Vinini Fm. chert, siltstone, and shale exposed in trench, with soft, black carbonaceous clay "oozing" out of bedding planes and also along fractures that cut bedding.

Structure

The strong, westward dipping internal deformation in Vinini Fm. rocks seen along road cuts at Iron Point are in line with the interpretation of Erickson and March (1974) of the west-dipping isoclinal folds being formed by eastward thrusting of the Western Assemblage (Figure 14). This west dip is noted everywhere within the project area in rocks exposed east of the Prebble Fm. contact.



Figure 14: Looking north at recumbent isoclinal folds in Vinini Fm. chert and siltstone exposed in road cut. Axial planes display a shallow west dip. Reddish color is probably due to oxidized carbon.

Subsequent to thrust emplacement, the strongly folded and recumbent Vinini Fm. rocks were again folded into a broad, open antiform trending north-northwest (Erickson and Marsh, 1974). This open folding could be due to compression or to doming at depth caused by the quartz diorite intrusive.

With the advent of extensional tectonism in the Early Tertiary, a series of north-south trending high angle faults introduced hydrothermal fluids that caused widespread silicification and bleaching of the Paleozoic rocks and local gold/silver mineralization. Starting in the Miocene, basin and range faulting resulted in an uplifted horst block at Iron Point that is bounded on the east by a major, N-S normal fault and on the west by another normal fault that juxtaposed the Golconda Allochthon sequence against the Vinini Fm.

Mineralization

Core and RC drilling by Aur Resources revealed significant vanadium enrichment within a circular area roughly 1000m in diameter. The depth of mineralization ranges from the surface down to 200m and greater in places. Several different vanadium horizons are observed in the drill data, and they all appear to dip gently westward, following the predominant structural grain. The vanadiferous zone is either down-dropped on the east side of the Property in response to range front faulting, or is folded over into an eastward-dipping limb.

As currently understood, the primary vanadium mineralization at Iron Point is restricted to the Vinini Formation. Very little historical data exists. At this time the associations between vanadium grades and mineral occurrences is not well understood. Based on the visual examination of outcrop and core, mineralization tends to show a preference for carbonaceous horizons within thinly bedded siltstone-shale- chert sequences. However, higher vanadium grades in the Aur core holes also show a preference for very strongly broken and sheared, pyritic argillaceous zones developed within what appear to be tuffaceous or epiclastic horizons with very little carbon in evidence. Higher grades are also noted in light gray, weakly sulfidic quartzite proximal to strongly sericitized quartz diorite intrusions. Looking at drill hole assays above and below the redox, there does not appear to be any appreciable supergene enrichment. All-in-all, there is no prevailing guide to discerning higher grade mineralization within Vinini rocks.

DEPOSIT TYPE

Geological Model

The Vinini Formation is one of a number of black shale metalliferous hosts recognized in Nevada and is generally thought to have formed in a deep ocean, organic-rich, anoxic basin that concentrated vanadium, barium, base metals, and nickel (Bloomstein and Clark 1989, Nelson 1991, Vine 1964, Davison and Lankin 1961). The vanadium deposit at Iron Point is therefore considered to be of a syngenetic type, meaning vanadium was concentrated within a restricted marine basin via evaporation and precipitated in reduced shale horizons within a low energy environment (Kelley et al, 2017). The mineralization is therefore stratigraphically controlled and formed more or less at the same time as the host rock – i.e. in the Ordovician.

Subsequent to vanadium deposition, the Vinini Formation was displaced eastward along the Roberts Mountain Thrust and deformed into a recumbent nappe that effectively compressed the vanadiferous horizons and structurally thickened the mineralized zone, as seen in many outcrops (Figure 14).

EXPLORATION

Casino initiated exploration activity at Iron Point in July, 2018 by collecting 99 channel samples in a series of old trenches that form the heart of the Historical Vanadium Exploration Area (Figure 15). Each sample ranged from 1.5m to 6.0m in length, depending on the quality of exposure and purpose of sample. The 99 channel samples were collected as part of a due diligence and reconnaissance program that consisted of a total of 141 trench samples, 25 outcrop samples and 706 re-assay samples from Aur Resources historical core, chips and pulps.

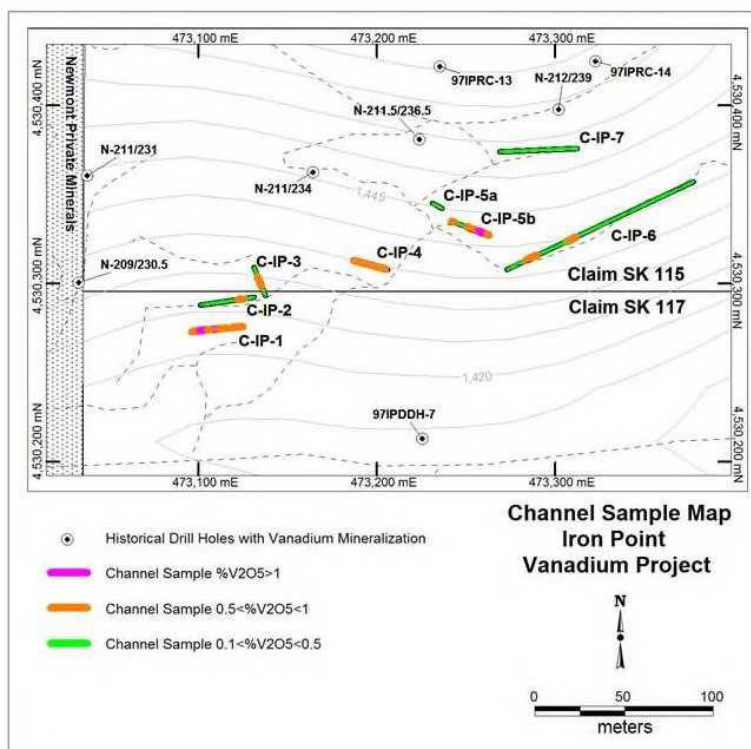


Figure 15: Location of channel sample lines along old trenches within Historical Vanadium Exploration Area. This zone of historical trenching focused on higher grade vanadium mineralization that was not directly tested Newmont and Aur Resources.

Analytical results for the trench channel samples are contained in Appendix I of the Technical Report. All samples were analyzed by American Assay Lab in Reno, NV., using the same five acid digestion (ICP 5A035 method) that was employed for the Aur drill pulps and core as described above. American Assay is an ISO/IEC 17025 accredited lab. Individual sample values are plotted in a series of three detailed maps, as seen below.

Old trenches on the site were sampled (Figure 16) along channel line C-IP-1. Trench line locations and sites are shown in Figures 17 – 19. The origin of the trenches is unknown, other than it must have been produced by a former claim holder of the land. The trenches don't necessarily cut mineralized horizons perpendicularly and therefore composite values referenced below do not represent true widths. Trench C-IP-1 cuts across heavily carbonaceous shale, and in this particular case, the vanadium grade is correlative with carbon content. Casino's samples along this line averaged 0.858 % V2O5 across 95 feet (29m) of continuous cut.



Figure 16: View of channel line C-IP-1 along old trench in strongly carbonaceous Vinini shale.

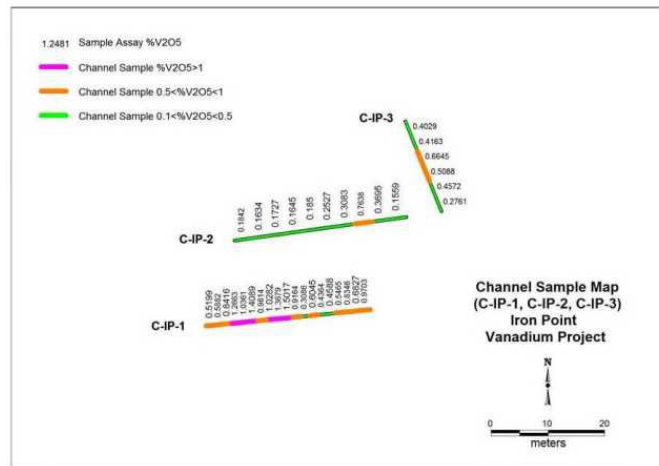


Figure 17: Vanadium values (%V2O5) for channel samples along lines 1, 2, and 3.

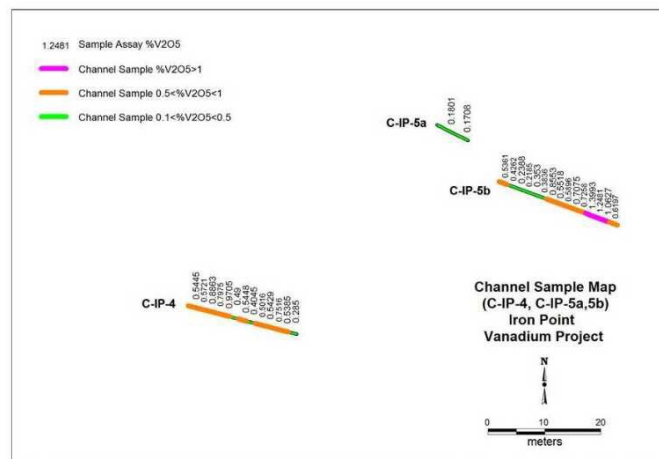


Figure 18: Vanadium values (%V2O5) for channel samples along lines 4 and 5.

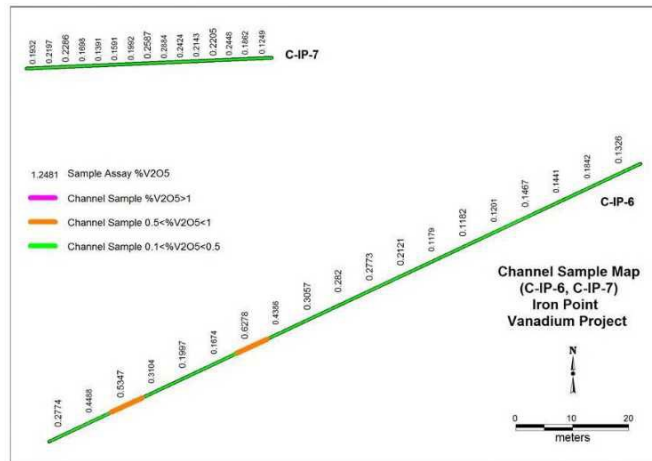


Figure 19: Vanadium values (%V2O5) for channel samples along lines 6 and 7.

This series of channel samples tested a northeast trending zone of vanadium mineralization about 230m long and 25m wide. The mineralization drops quickly on the northwest side of this zone but appears open to the southeast. Mineralization is also strongest at the southwestern end (also topographically lowest) and appears to weaken northeastward. This is most likely the 35 foot (11m) thick zone of higher- grade mineralization described by Vine (1964) that reportedly dips 35o NW, which would account for the outcrop pattern seen in the field.

Casino's channel sampling program verified vanadium mineralization within the Historical Vanadium Exploration Area and picked up values over 1.5m widths ranging up to 1.5% V2O5. Neither the Newmont nor the Aur Resources drilling encountered grades this high, so either the historical drilling did not encounter this higher-grade zone, or the sample recovery was poor due to open ground or severe washing of fines from the sample. Casino's sampling showed the highest vanadium values occur in very soft, friable shale that would be very difficult to recover with coring or could be easily lost if drilled wet with RC.

DRILLING

No drilling has been done by Casino on the Property. A Notice for permitting 50 exploratory RC holes has been approved by the Winnemucca BLM, so Casino is now able to move forward with a more aggressive exploration program. This can be seen in Appendix E of the Technical Report.

SAMPLE PREPARATION, ANALYSES AND SECURITY

All of Casino's channel samples were transported directly to American Assay Lab in Reno, Nevada upon completion of the sampling program. The sampling was directly supervised by Calvin Herron, P.Geo., and all samples were handled and transported by Calvin Herron. A total of 99 samples averaging 2.8kg/sample were collected using plastic buckets to chip into, and sampled material was placed in heavy plastic bags together with sequentially numbered sample tags.

At American Assay Lab, the samples were crushed to 70% passing 2mm, and then a 0.3km split was ground to 85% passing 75 micron. A 0.5gm split was digested in a 5 acid process (ICP-5A035 method) and analyzed via ICP-OES. Sample results are reported in PPM V and PPM V2O5. The results of these assays can be seen in Appendix F and G of the Technical Report.

There is no relationship between the laboratories used and Casino, Brownstone, Ripper or the QP of this report.

The author is of the opinion that the sample preparation, security, and analytical procedures and resulting data are adequate.

DATA VERIFICATION

Casino undertook a re-evaluation of Aur Resources' historical drill results in order to ascertain the accuracy of the original vanadium analytical work done by American Assay Lab (Reno, NV) in 1996- 1997. Casino first submitted a total of 439 pulp samples (each 100g) from 3 core holes and 9 RC holes to American Assay Lab (Reno, NV) for analysis using a five-acid digestion process (ICP-5A035). These results can be seen in Appendix F of the Technical Report.

Casino next selected 155 intervals, each measuring 1.52m long, in five Aur core holes for cutting and sampling (total 236m). The core had already been cut in half when it was originally sampled in 1996- 1997, so a lab technician at American Assay Lab cut the remaining half, thus, yielding a quarter cut, which was subsequently sampled. These results can be seen in Appendix G in the Technical Report. The original Aur sample marks were still on the core boxes, so it was easy to match the original sample lengths with Casino's sample lengths.

Quality Control Measures and Procedures

All technical information for Casino Gold's Iron Point project is obtained and reported under a formal quality assurance and quality control ("QAQC") program, monitored by the QP Peter McIntyre, Casino's Qualified Person for QAQC as defined by National Instrument 43-101. The procedure for sample collection, processing and analyzing is defined in the sections below.

This QAQC program meets with CIM Best Practices Guidelines and National Instrument 43-101 standards of Disclosure. The program is designed to suit the Iron Point project and is guided by the level of confidence in the laboratory, anticipated grades in samples, distribution of mineralization, geology and other factors.

Sample Security and Transportation

The security of samples is a major component of the sampling process. The collection, packaging, transport, and receipt of samples are conducted under a strict and traceable chain of custody. The collection and packaging of samples for shipping for Aur Resources' drill pulps selected for re-assay were collected by C. Herron from boxes stored in Casino's locked storage unit at Mogul Self-Storage (Mogul, NV) and placed in plastic bags together with uniquely-numbered sample tags and transported directly to American Assay Laboratory (Reno, NV).

Portions of Aur Resources' core had not been originally analyzed for vanadium, so these intervals were marked by C. Herron and transported directly to American Assay Lab (Reno, NV). American Assay assumed control of the core and used an American Assay technician to cut and sample the core per the markings made by C. Herron. Pre-marked bags with numbered sample tags were provided to American Assay, with standards and field blanks being inserted by C. Herron into the sample stream.

Casino's channel sampling at Iron Point was directly supervised by C. Herron, who was assisted by several local laborers hired to primarily clean trench faces. Each sample, weighing between

3kg to 4kg, were placed in heavy plastic bags together with numbered sample tags. Bag tops were secured with wire ties, and the samples were transported directly to American Assay Lab (Reno, NV) by C. Herron in the back of his pickup truck. Blanks and standards were inserted into the sample stream in the field.

Sample Photography

All the historical drillcore Casino has access to was photographed, to retain a digital image of the core being processed by Casino. This database resides with Calvin Herron in Reno, Nevada, and with Casino.

Sample Analysis

Casino utilizes American Assay Laboratories as its primary analytical lab and has yet to pick a secondary lab for duplicate testing at the time of writing this document. AA is accredited by the International Accreditation Service, which conforms with requirements of ISO/IEC 17025:2005.

All samples are analyzed for vanadium using AA's ICP-5A035 multi-element geochemical package, which involves a five-acid digestion (HNO₃, HF, HClO₄, HCl, H₃BO₃) of a 0.5g split and ICP-OES finish. The detection limit for vanadium is 1ppm, while the upper limit is 10,000ppm.

Quality Assurance and Quality Control

Casino's QAQC program is designed to systematically monitor and evaluate sample collection and handling from the field or core shack to the assay laboratory to prevent mishandling and/or tampering of the samples and to eliminate potential sources of uncertainty and issues in the final assay results.

Casino personnel ensure that four quality control samples are included in every 40 samples, representing 10% of the total samples, which meets the industry standard. All control samples are submitted to the laboratory without any additional identification marks apart from the tag number.

The control process is that every 10th sample submitted is a controlled sample. A standard, blank or duplicate is inserted every tenth sample (any number ending in zero) in the following order:

- Certified Reference Material (CRM)
- Blank
- Duplicate

This control insertion cycle is repeated until all samples are submitted to the lab for analysis. Additionally, a minimum of 1 sample per batch submitted, or a minimum of 1 sample per 100 samples submitted, the pulps are set aside to be submitted to the check lab once enough samples are accumulated.

The different types of QA/QC samples that are used within Casino:

- **Standards or Certified Reference Materials (CRM):** are samples of known or accepted value that are submitted to assess the accuracy of a laboratory. A

difference from the expected CRM result indicates a bias within or between the assay batches. Standard samples may be purchased commercially or may be prepared internally and it is recommended to utilize standards that span the potential range of likely assay values.

- **Blanks:** are samples without mineralization are submitted with each batch of samples sent to the laboratory. The blank material is collected from a location known to be devoid of any mineralization or purchased from a reputed supplier. Results from these samples indicate any contamination introduced during the sample preparation or analysis procedures.
- **Field Splits/Duplicates:** are samples collected, prepared and assayed in an identical manner to the original sample collected and submitted to provide a measure of the total variance introduced by the entire sampling and assay process.
- **Coarse Reject Duplicate (CRD):** are collected by taking a second split after crushing before the pulverizing stage. These samples are sent to the same laboratory at a later stage. The assays of the coarse rejected samples will be compared with the assay of the original assayed sample.
- **Lab Check Samples:** lab check samples check the analytical precision of the laboratory relative to another laboratory. Check assays through a secondary laboratory does not determine which laboratory is more accurate. Pulp samples from the primary laboratory are retrieved and submitted as a batch to the secondary laboratory for analysis. The selection to the second laboratory is done after ensuring that it uses an assaying technique identical to the principal laboratory.

The sample certificates can be viewed in Appendix J of the Technical Report. Sand was purchased to use as a blank.

Inspection of Analytical Laboratories

When possible, Casino QP's should perform annual QA/QC visits to each assay lab in use ensure that proper protocols and procedures are being followed as outlined by the laboratory. Calvin Herron has visited and examined the AA lab in Reno, Nevada, where the samples are processed.

Historical Information

When possible, Casino ensures historical results meet company protocols for use in technical documents from a QAQC perspective.

Casino will not use any assay data within its technical documents unless it meets one or more of the following criteria:

1. Original assay certificates are available to verify the proper transcription of data and the laboratory procedures meet current industry standards;

2. The sample's reject, pulp or second half of core are available for re-assay and 4% of samples have check analysis conducted by the Company to verify the original analysis within 50% of the original values;

Casino 2018 resampling program submitted 309 samples for analysis with American Assay Laboratories ("AA") using the 5-acid digestion method ICP-5A035. Of those samples submitted 59 were added as a duplicate check, 41 blanks, and 51 Standards were submitted. Of those Standards used, only 17 were certified for Vanadium testing, and only those reference materials are considered in this report. 116 control samples were submitted, well over the 10% guideline defined by the CIM best practices. As can be seen in Figure 20, the control samples support that the lab results are dependable and replicatable for the vanadium results. The control sample values (PPM) can be seen in table 2 and the Certificates for the standards can be seen in Appendix J of the Technical Report.

Table 2: QA/QC Control Sample Values

Reference Material	MEG-GB3.11.23	MEG-GB3.11.24	MEG-GB5.11.25
Reference Material Value	5172	71	320
Standard Deviation	393	8	15

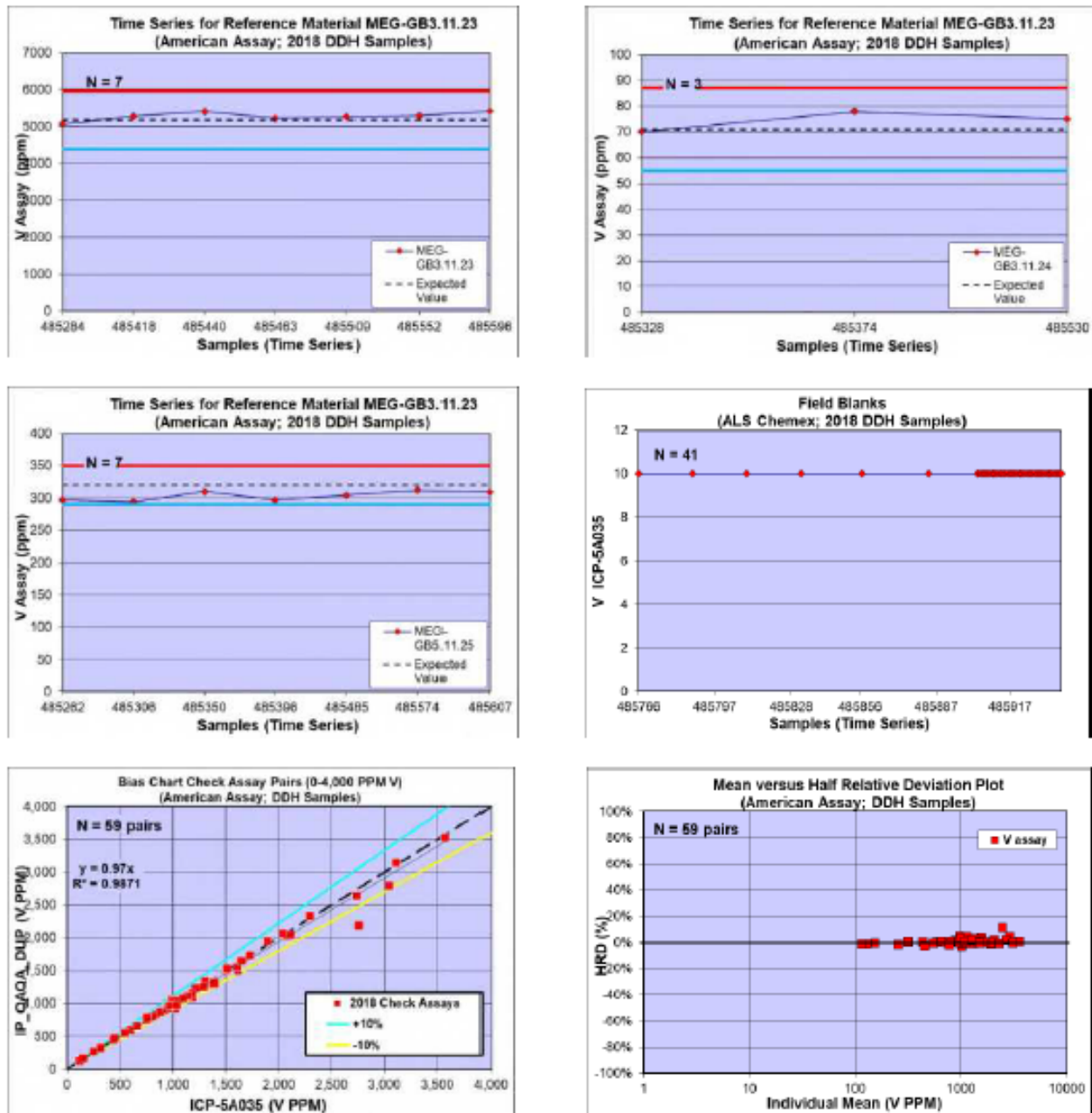


Figure 20: QA/QC checks for the 2018 sampling of historical drill core.

Limitations

No discrepancies were noted to source data. Casino has implemented adequate internal QA/QC and chain of command custody while conducting exploration programs consistent with industry best practices.

The author is of the opinion that the sample preparation, security and analytical procedures and resulting data are adequate, and support further exploration work including drill planning and targeting.

MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral Processing/Metallurgical Testing Analysis

Casino has no knowledge of any historical mineral processing/metallurgical testing of the vanadium mineralization at Iron Point. Casino has retained McClelland Laboratories Inc. (Reno, NV) to test the Iron Point mineralization.

MINERAL RESOURCE ESTIMATES

There are no current or historical mineral resource estimates for the Property, that the author is aware of.

ADJACENT PROPERTIES

There are no adjacent vanadium properties near Iron Point. However, to the east in Elko and Eureka Counties the Carlin Vanadium Project (Cornerstone Metals Inc.) and the Gibellini Vanadium Project (Prophecy Development Corp.) are currently being explored. Both properties occur within the Devonian Woodruff Formation – another metalliferous black shale host similar to the Vinini Fm. Figure 21 shows the location of these projects relative to Iron Point and Western Assemblage black shale units. Table 3 summarizes the resources reported from both properties.

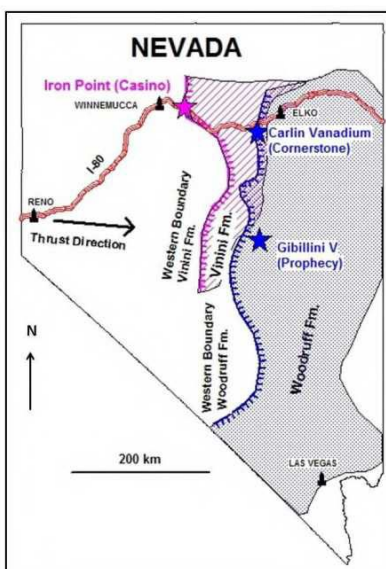


Figure 21: Location of other vanadium projects in Nevada relative to Iron Point and distribution of black shale host rocks.

Table 3: Publicly released vanadium resources for the Carlin Vanadium and Gibellini projects as contained in current 43-101 reports.

Property	% Cutoff Grade	Tonnes (M)	Grade (% V ₂ O ₅)	V content (M lbs V ₂ O ₅)
Carlin Vanadium (Cornerstone)	0.01	58	0.341	439
	0.02	43	0.404	384
	0.03	25	0.515	289
Gibellini Vanadium (Prophecy)	0.11	22	0.294	129

Numerous large gold mines are located around the project area within a 40km radius, including Twin Creeks, Turquoise Ridge, Pinson, Lone Tree, Marigold, and Trenton Canyon. Like most of the historical explorers, Casino's interest at Iron Point initially focused on the gold potential. Historical drill results from Aur Resources and other explorers show consistent increase in gold values with depth, starting at around 300m depth in what appear to be Lower Plate (Eastern Assemblage) host rocks beneath the Roberts Mountain Thrust. The shallow mineral potential at Iron Point is clearly associated with the vanadium mineralization, but deeper potential for gold mineralization also exists.

The QP has been unable to verify the information provided by other property holders, and cautions that the information provided by other property holders is not necessarily indicative of the mineralization on the Property.

OTHER RELEVANT DATA AND INFORMATION

There is no other known relevant data or information other than that which has been presented in this Technical Report.

INTERPRETATION AND CONCLUSIONS

Field Surveys

A field check of historical drill hole collar locations for the most part verified reported locations for the Newmont and Aur Resources holes. Site reclamation made it difficult to ascertain exact locations for the Aur holes, but most reported locations are estimated to be within 20m of Casino's measurements. Having been drilled prior to regulations mandating drill site reclamation, most of the Newmont rotary holes still possess obvious cuttings rings around the hold collars, and some open holes are still present, so identifying hole locations was possible. Reported Newmont hole locations match very closely (within 5 m) with Casino's measurements. Reported historical drill hole locations appear to be adequate for the purposes of this investigation.

Analytical and Testing Data

The sampling techniques and analytical procedures employed by Casino are adequate for the current level of study. Although specific QA/QC procedures employed by Aur Resources are unknown, the drill core and pulps remain for reanalysis. Spot checks on the geological logs show that historical logging was accurate, however detailed re-logging is recommended.

Exploration Conclusions

The historic exploration drilling program appears to have been well planned and carried out in a professional manner. All drillhole logging and sampling appears to have been done by trained and professional personnel. To the extent known, there are no significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information. However, at this time, historical assays have not been verified with enough certainty to support a resource estimate.

RECOMMENDATIONS

Recommended Work Programs

The recommended work program is designed to meet three criteria: (1) confirm a number of historical holes drilled by Newmont and Aur Resources, (2) establish a drill-indicated mineral resource estimate and (3) complete a Preliminary Economic Assessment (PEA) using the established resource estimate. The drilling component includes 68 vertical RC holes, each 122m deep, totaling 8800m. A total of \$860,000 is estimated for the RC drilling based on an all-in cost of \$98/m for the RC drilling, which includes \$50/m basic meterage cost and \$48/m for extra hourly charges, logistics and supervision. These RC holes primarily test the Historical Vanadium Exploration Area and will serve to confirm historical holes drilled by Newmont and Aur Resources, and fill-in gaps between the existing holes, particularly within the higher-grade zone of trenching. The holes shown in Figure 20 represent the first 50 RC holes as permitted and bonded on Casino's Notice with the BLM. An additional 18 RC holes will be added to the Notice following reclamation of initial holes drilled. Also part of this first stage program, 1530m of HQ- size diamond drilling is planned to serve as a control on the RC drilling and provide material for metallurgical testing. Utilizing an all-in cost of \$230/m, which included \$150/m basic cost and \$80/m for logistics and supervision/sampling, the diamond drill program is estimated to cost \$352,000 and is currently permitted.

Other elements needed for a PEA include initial metallurgical testing and preliminary environmental baseline studies as well as the resource calculation and PEA report itself. Anticipated costs for the entire Stage 1 program (in USD) are contained in Table 26-1 with an estimated total of \$1,577,000USD.

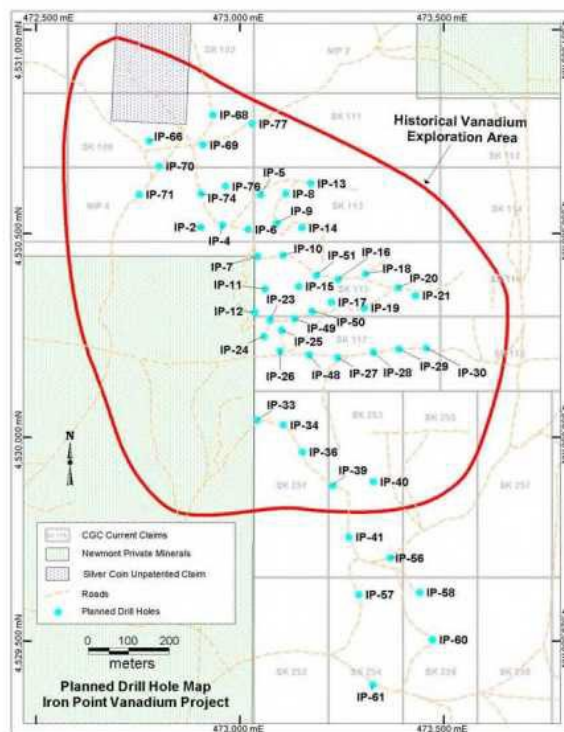


Table 26-1: Cost Estimation for Stage 1 exploration program at the Property.

Table 26-1. Cost estimates for Stage 1 exploration program at Iron Point.			
Program	Program Detail	Cost Detail	Total Cost (USD)
RC Drilling	68 holes@ 129m/hole = 8800m	\$98/m all in costs	860,000
Diamond Drilling	10 holes @ 153m/hole =1,530m	\$230/m all in costs	352,000
Resource Estimate	Resource calculation, Technical Report		100,000
Metallurgical Testing	Bottle roll and broad spectrum bench tests		35,000
Environmental Baseline Work	Botanical/zoological survey for POO		20,000
Preliminary Economic Assessment	Prelim. Engineering, Technical Report		210,000
Stage 1 Total			\$1,577,000

**EXHIBIT 2
TO APPENDIX H**

**AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED
MARCH 31, 2020 AND 2019**

AND

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2020
AND THE SIX MONTH PERIOD ENDED MARCH 31, 2019**

(see attached)

Victory Metals Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020
AND
SIX MONTH PERIOD ENDED MARCH 31, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Victory Metals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Victory Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year ended March 31, 2020 and the six month period ended March 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, and its financial performance and its cash flows for the year ended March 31, 2020 and the six month period ended March 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted 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 these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 consolidated financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

June 17, 2020

Victory Metals Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		March 31, 2020 \$	March 31, 2019 \$
	Note		
ASSETS			
Current assets			
Cash		1,664,164	1,658,615
Short-term investments		-	3,000,000
GST receivable		11,974	18,597
Prepaid expenses		98,394	142,107
Total current assets		1,774,532	4,819,319
Non-current assets			
Exploration and evaluation assets	4	7,627,016	3,099,929
Total non-current assets		7,627,016	3,099,929
Total Assets		9,401,548	7,919,248
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		124,897	542,843
Total current liabilities		124,897	542,843
EQUITY			
Share capital	5	37,440,172	33,322,172
Reserves	5	2,433,604	2,102,198
Deficit		(30,597,125)	(28,047,965)
Total equity		9,276,651	7,376,405
Total Equity and Liabilities		9,401,548	7,919,248
NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)			

These consolidated financial statements are authorized for issue by the Board of Directors on June 17, 2020. They are signed on the Company's behalf by:

"Craig Roberts" , Director

"Doug Forster" , Director

Victory Metals Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended March 31, 2020 \$	Six month period ended March 31, 2019 \$
Expenses			
Advertising		97,500	33,555
Consulting		276,000	56,000
Management and directors fees	6	1,495,855	318,110
Office and sundry		166,406	26,464
Professional fees		58,746	9,577
Share-based compensation	5, 6	331,406	2,102,198
Transfer agent and regulatory fees		58,040	8,669
Travel		104,987	23,199
Loss from operating activities		(2,588,940)	(2,577,772)
Foreign exchange (loss) gain		(26,872)	7,158
Interest income		56,245	-
Listing expense	3	-	(6,730,960)
Gain (loss) on disposal of exploration and evaluation assets	4ii	10,407	(185,632)
Loss and comprehensive loss for the period		(2,549,160)	(9,487,206)
Loss per share – basic and diluted (\$)		(0.03)	(0.24)
Weighted average number of common shares outstanding – basic and diluted		90,140,841	40,315,212

The accompanying notes are an integral part of these consolidated financial statements.

Victory Metals Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2020 \$	Six month period ended March 31, 2019 \$
Cash flows from operating activities		
Loss for the period	(2,549,160)	(9,487,206)
Adjustments for:		
Listing expense	-	6,730,960
(Gain) loss on disposal of exploration and evaluation assets	(10,407)	185,632
Share-based compensation	331,406	2,102,198
Unrealized foreign exchange (gain) loss	(910)	11,663
	(2,229,071)	(456,753)
Change in non-cash working capital items:		
Decrease (increase) in GST receivable	6,623	(18,597)
Decrease (increase) in prepaid expenses	43,713	(102,264)
Increase in accounts payable and accrued liabilities	5,010	13,533
Net cash used in operating activities	(2,173,725)	(564,081)
Cash flows from investing activities		
Cash acquired from Ripper Oil & Gas Inc., net	-	394,595
Expenditures on exploration and evaluation assets, net of recoveries	(5,078,366)	(393,361)
Proceeds on disposal of exploration and evaluation assets	139,640	-
Redemptions (purchases) of short-term investments	3,000,000	(3,000,000)
Net cash used in investing activities	(1,938,726)	(2,988,766)
Cash flows from financing activities		
Issuance of common shares in private placement	4,118,000	5,950,000
Repayment of exploration and evaluation expenditures to Casino Gold Corp.	-	(728,538)
Net cash from financing activities	4,118,000	5,221,462
Net increase in cash	5,549	1,658,615
Cash at beginning of period	1,658,615	-
Cash at end of period	1,664,164	1,658,615

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 7)

Victory Metals Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves		
	Number of shares⁽¹⁾	Amount \$	Equity settled share- based payments \$	Deficit \$	Total equity \$
Balance at September 30, 2018	17,930,436	19,244,360	-	(18,560,759)	683,601
Acquisition (note 3)	41,837,681	6,275,653	-	-	6,275,653
Share issuance cost – finders shares (note 3)	2,434,741	852,159	-	-	852,159
Shares issued in private placement	17,514,942	6,130,230	-	-	6,130,230
Finders shares issued in private placement	-	(180,230)	-	-	(180,230)
Convertible loan	5,000,000	1,000,000	-	-	1,000,000
Share-based compensation	-	-	2,102,198	-	2,102,198
Total comprehensive loss for the period	-	-	-	(9,487,206)	(9,487,206)
Balance at March 31, 2019	84,717,800	33,322,172	2,102,198	(28,047,965)	7,376,405
Shares issued in private placement	6,146,268	4,298,900	-	-	4,298,900
Finders shares issued in private placement	270,000	(180,900)	-	-	(180,900)
Share-based compensation	-	-	331,406	-	331,406
Total comprehensive loss for the year	-	-	-	(2,549,160)	(2,549,160)
Balance at March 31, 2020	91,134,068	37,440,172	2,433,604	(30,597,125)	9,276,651

⁽¹⁾ On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share. Comparative periods have been retroactively restated.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Victory Metals Inc. (the “Company”) was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company’s registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company’s shareholders for the consolidation of the Company’s issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share and completed the Acquisition described in Note 3. Comparative periods have been retroactively restated in these consolidated financial statements with respect to the share consolidation. Upon closing of the Acquisition, the Company acquired all of the outstanding common shares of Brownstone Ventures (US) Inc., a wholly-owned subsidiary of Casino Gold Corp. On February 1, 2019, the Company changed its name to Victory Metals Inc. and on February 8, 2019 commenced trading on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “VMX”. The Acquisition was considered a reverse takeover for accounting purposes, and Brownstone Ventures (US) Inc. (“Brownstone”) is considered the continuing entity.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company’s exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at March 31, 2020, the Company had an accumulated deficit of \$30,597,125 and shareholder’s equity of \$9,276,651. In addition, the Company has working capital of \$1,649,635, consisting primarily of cash and negative cash flow from operating activities of \$2,173,725. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company’s ability to continue as a going concern.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. Significant economic and social impacts have limited the Company’s ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These consolidated financial statements were approved by the Board of Directors of the Company on June 17, 2020.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the year ended March 31, 2020.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary as follows:

	Place of Incorporation	Principal Activity
Brownstone Ventures (US) Inc.	Delaware, USA	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

d) Foreign currencies

The presentation and functional currency of the Company and its subsidiary is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Exploration, evaluation and development expenditures

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring, maintaining its interest in, exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized cost
Short-term investments	Amortized cost
GST receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

g) Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company did not have any cash equivalents as at March 31, 2020.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the periods presented.

i) Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including an expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. Impairment is assessed at the level of cash-generating units or "CGUs", which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

j) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

l) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

m) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at March 31, 2020.

n) Changes in Accounting Standards and Interpretations

The Company adopted IFRS 16 – Leases, effective for the annual period beginning on April 1, 2019. There was no impact on the consolidated financial statements.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. ACQUISITION OF BROWNSTONE VENTURES (US) INC.

On October 1, 2018, the Company entered into a letter of intent (“LOI”) with Casino Gold Corp. (“Casino Gold”), pursuant to which the Company agreed to acquire all of the issued and outstanding securities of Brownstone, a wholly-owned subsidiary of Casino Gold (the “Acquisition”). The Acquisition constitutes a reverse takeover (the “Transaction”) of the Company under the policies of the TSX Venture Exchange as the former shareholders of Brownstone acquired control of the Company.

On January 31, 2019, the Transaction was completed and Brownstone became a wholly-owned subsidiary of the Company. Pursuant to the Transaction, Casino Gold Corp. received an aggregate of 41,837,681 common shares as consideration for the sale of the Company. The Company paid finder’s fees of 2,434,741 common shares to certain finders in connection with the Acquisition.

The acquisition of the net assets of the Company is summarized as follows:

Purchase price – value of equity instruments issued	\$ 6,275,653
Value of finders shares issued	852,159
Transaction costs	114,748
Total Consideration	\$ 7,242,560
Assets	
Cash	512,656
Amounts receivable	53
Total Assets	512,709
Liabilities	
Accounts payable and accrued liabilities	1,109
Total Liabilities	1,109
Listing expense	\$ 6,730,960

4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at March 31, 2020 and 2019:

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Iron Point (i)	Other (ii)	Total
	\$	\$	\$
Year ended March 31, 2020			
Acquisition Costs			
Balance as at March 31, 2019	855,023	16,561	871,584
Additions			
Land claim payments and acquisition costs	133,678	102,046	235,724
Disposals			
Sale of exploration and evaluation assets	-	(118,607)	(118,607)
Balance as at March 31, 2020	988,701	-	988,701
Exploration Costs			
Balance as at March 31, 2019	2,228,345	-	2,228,345
Drilling	3,298,841	-	3,298,841
Environmental	167,569	-	167,569
Exploration	125,989	-	125,989
Geochemistry	74,258	-	74,258
Geological information systems and mapping	15,537	-	15,537
Metallurgy	496,003	-	496,003
Resource estimate	100,782	-	100,782
Reclamation	8,803	-	8,803
Staking	1,797	3,992	5,789
Other	120,391	-	120,391
Sale of exploration and evaluation assets	-	(3,992)	(3,992)
Balance as at March 31, 2020	6,638,315	-	6,638,315
Total Exploration and Evaluation Assets			
Balance as at March 31, 2020	7,627,016	-	7,627,016
	Iron Point (i)	Other (ii)	Total
	\$	\$	\$
Period ended March 31, 2019			
Acquisition Costs			
Balance as at September 30, 2018	599,502	632,317	1,231,819
Additions			
Land claim payments and acquisition costs	255,521	16,561	272,082
Disposals			
Sale of non-Iron Point assets	-	(632,317)	(632,317)
Balance as at March 31, 2019	855,023	16,561	871,584
Exploration Costs			
Balance as at September 30, 2018	105,408	214,252	319,660
Drilling	1,684,220	-	1,684,220
Environmental	14,827	-	14,827
Exploration	92,239	-	92,239
Geochemistry	33,498	-	33,498
Geological information systems and mapping	21,761	-	21,761
Metallurgy	165,821	-	165,821
Resource estimate	39,697	-	39,697
Other	70,874	-	70,874
Sale of non-Iron Point assets	-	(214,252)	(214,252)
Balance as at March 31, 2019	2,228,345	-	2,228,345
Total Exploration and Evaluation Assets			
Balance as at March 31, 2019	3,083,368	16,561	3,099,929

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

(i) Iron Point Project

As at March 31, 2020, the Company owns 730 unpatented lode claims (2019 – 594) located in the Iron Point mining district, in Humboldt County, Nevada (USA).

On October 10, 2018, the Company entered into an option agreement with a third party to earn 100% interest in one unpatented Claim (Silver Coin). The Company agreed to the following payments:

Payment due date	Amount \$
Five days from October 10, 2018 (paid)	64,695 (US\$50,000)
October 24, 2019 (paid)	65,660 (US\$50,000)
October 24, 2020	70,935 (US\$50,000)
October 24, 2021	212,805 (US\$150,000)

On October 24, 2018, the Company entered into an option agreement with Canarc Resources Corp. to earn 100% interest in four patented Claims (Silver King). The Company agreed to grant a 2% NSR upon commencement of commercial production for minerals from these claims and the following payments:

Payment due date	Amount \$
Five days from October 24, 2018 (paid)	15,725 (US\$12,000)
October 24, 2019 (paid)	15,593 (US\$12,000)
October 24, 2020	17,024 (US\$12,000)
October 24, 2021	17,024 (US\$12,000)
October 24, 2022	17,024 (US\$12,000)
October 24, 2023	17,024 (US\$12,000)
October 24, 2024	17,024 (US\$12,000)
October 24, 2025	17,024 (US\$12,000)
October 24, 2026	17,024 (US\$12,000)
October 24, 2027	17,024 (US\$12,000)
October 24, 2028	170,244 (US\$120,000)

The Company has the option of purchasing half of this 2% NSR for \$1,418,700 (US\$1,000,000).

On May 16, 2019, the Company entered into an option agreement (the “Agreement”) with Ethos Gold Corp. (“Ethos”), a company with a director in common, whereby Ethos can spend \$5,000,000 over three years, with minimum expenditures of \$1,000,000 in the first year, which was spent prior to the end of the first anniversary of the Agreement, to earn an undivided 50% interest in the precious metals rights at the Iron Point Vanadium Project, Nevada. Once Ethos has incurred \$5,000,000, a 50%/50% joint venture will be formed between the Company and Ethos, specific to the precious metals rights.

Subsequent to March 31, 2020, the Agreement was amended whereby Ethos can spend \$5,000,000 over five years with expenditures in an aggregate amount equal to at least US\$250,000 each year over the term of the Agreement.

(ii) Other Projects

During the year ended March 31, 2020, the Company recognized a gain on disposal of certain other Nevada, USA exploration and evaluation assets of \$10,407. The Company received total cash proceeds of \$133,006 and derecognized exploration and evaluation assets at their carrying value of \$122,599.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company retained a 1% NSR on the project which can be repurchased by the buyer for US\$500,000.

During the period ended March 31, 2019, the Company sold all other non-vanadium properties to 2656065 Ontario Limited ("HoldCo"), a subsidiary of Casino Gold and related party to the Company, for consideration of \$660,937 (US\$508,707). The amount was satisfied by extinguishing \$660,937 (US\$508,707) in amounts owed to Casino Gold. As part of the transaction the Company recognized a loss on the sale of its non-vanadium properties of \$185,632 (US\$140,110).

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At March 31, 2020, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Capital Restructuring

On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share pursuant to the closing conditions of the Acquisition described in Note 3. Comparative periods have been retroactively restated in these consolidated financial statements.

Details of Issues of Common Shares in fiscal 2020

On October 24, 2019, the Company completed a non-brokered private placement financing of 746,268 common shares at a price of \$0.67 per share for gross proceeds of \$500,000.

On May 28, 2019, the Company completed a non-brokered private placement financing of 5,400,000 common shares at a price of \$0.67 per share for gross proceeds of \$3,618,000. The Company paid finder's fees of 270,000 common shares valued at \$180,900 to certain finders in connection with the private placement financing.

Details of Issues of Common Shares in fiscal 2019

On January 31, 2019, the Company issued 41,837,681 common shares pursuant to the Transaction described in Note 3. The Company paid finder's fees of 2,434,741 common shares to certain finders in connection with the Acquisition.

On January 31, 2019, the Company completed a non-brokered private placement financing of 17,000,000 subscription receipts at \$0.35 per subscription receipt for gross proceeds of \$5,950,000. Each subscription receipt automatically converted into one common share of the Company upon completion of the Transaction described in Note 3. The Company paid finder's fees of 514,942 common shares valued at \$180,230 to certain finders in connection with the private placement financing.

On January 31, 2019, the Company issued 5,000,000 common shares in settlement of a \$1,000,000 (US\$762,294) convertible loan.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***5. SHARE CAPITAL AND RESERVES (continued)***Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company’s outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, and are subject to a four-month hold period and are generally exercisable for a period of up to five years.

The continuity of share purchase options for the year ended March 31, 2020 is as follows:

Expiry date	Exercise Price	March 31, 2019	Granted	Exercised	Cancelled/ Expired	March 31, 2020	Options exercisable
January 31, 2021	\$0.35	2,500,000	-	-	-	2,500,000	2,500,000
February 5, 2021	\$0.35	70,000	-	-	-	70,000	70,000
January 31, 2024	\$0.35	5,900,000	-	-	-	5,900,000	5,900,000
June 17, 2024	\$0.63	-	560,000	-	-	560,000	560,000
		8,470,000	560,000	-	-	9,030,000	9,030,000
Weighted average exercise price \$		0.35	0.63	-	-	0.37	0.37
Weighted average contractual remaining life (years)		3.93	5.00	-	-	3.01	3.01

The continuity of share purchase options for the period ended March 31, 2019 is as follows:

Expiry date	Exercise Price	September 30, 2018	Granted	Exercised	Cancelled/ Expired	March 31, 2019	Options exercisable
January 31, 2021	\$0.35	-	2,500,000	-	-	2,500,000	2,500,000
February 5, 2021	\$0.35	-	70,000	-	-	70,000	70,000
January 31, 2024	\$0.35	-	5,900,000	-	-	5,900,000	5,900,000
		-	8,470,000	-	-	8,470,000	8,470,000
Weighted average exercise price \$		-	0.35	-	-	0.35	0.35
Weighted average contractual remaining life (years)		-	4.09	-	-	3.93	3.93

The Company did not have any warrants outstanding as at March 31, 2020 (2019 – Nil).

The weighted average fair value of share purchase options granted during the year ended March 31, 2020 is \$0.59 (period ended March 31, 2019 - \$0.25).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES (continued)

	Year ended March 31, 2020	Period ended March 31, 2019
Risk-free interest rate	1.34%	1.77%
Expected option life in years	5.0	4.1
Expected share price volatility	166%	107%
Grant date share price	\$0.63	\$0.35
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

6. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended March 31, 2020, key management personnel compensation totaled \$1,676,353 (period ended March 31, 2019 - \$1,985,232) comprised of management fees and bonuses of \$1,375,855 (period ended March 31, 2019 - \$298,110) paid to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman, \$120,000 (period ended March 31, 2019 - \$20,000) paid to directors and share-based compensation of \$180,498 (period ended March 31, 2019 - \$1,667,122) relating to 305,000 (period ended March 31, 2019 - 5,900,000) stock options granted to directors and officers of the Company.

Under the terms of their management agreements, certain officers of the Company are entitled to 18 months of base pay in the event of their agreements being terminated without cause.

Due to Casino Gold Corp.

As at March 31, 2020, the amount due to Casino Gold is \$Nil (March 31, 2019 - \$Nil).

During the period ended March 31, 2019, the Company received advances of \$357,291 (US\$269,674) from Casino Gold, a related party to the Company, to fund exploration activities. The amount due was non-interest bearing, had no terms of repayment and was due on notice from Casino Gold Corp. Subsequent to the completion of the Transaction described in Note 3, the Company reimbursed Casino Gold \$728,538 (US\$553,222) for mutually agreed upon exploration work on the Iron Point Vanadium Project prior to closing of the Transaction and disposed of its non-vanadium properties to a subsidiary of Casino Gold in consideration for extinguishing \$660,937 (US\$508,707) in amounts owed to Casino Gold.

Convertible Loan

During the period ended March 31, 2019, the Company entered into a Convertible Loan agreement with certain lenders (the "Lenders") for a total of \$1,000,000 (US\$762,294). In the event that the Acquisition described in Note 3 was not completed on or before January 31, 2019, or if the Acquisition was terminated prior thereto by any party, the Company, at its election, and with the consent of Casino Gold, within two business days of such termination (the "Conversion Date"), convert all or a portion of the Principal, into common shares in the capital of Casino Gold, at a price of \$0.053 per share. Any principal not converted on or before the Conversion Date shall be entitled to interest, at the rate of 10% per annum, calculated from the original date of this Convertible Loan. Thereafter the Company promises to repay the total principal not otherwise converted, plus accrued interest, to the Lenders, within 60 days of the Conversion Date.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

On closing of the Transaction, the Company issued 5,000,000 common shares in settlement of \$1,000,000 (USD\$762,294) that was advanced by the Lenders to the Company, for mutually agreed upon exploration work on the Iron Point Vanadium Project, prior to closing of the Transaction.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than disclosed elsewhere in these financial statements, the significant non-cash transactions for the year ended March 31, 2020 were exploration and evaluation expenditures of \$Nil (period ended March 31, 2019 - \$1,357,291 paid on behalf of the Company by Casino Gold Corp.).

	Year ended March 31, 2020 \$	Period ended March 31, 2019 \$
Non-cash investing and financing activities:		
Disposal of exploration and evaluation assets in exchange for settlement of debt to Casino Gold	-	846,569
Shares issued as finders fees on private placements	180,900	180,230
Settlement of convertible loan	-	1,000,000
Exploration and evaluation expenditures paid on behalf of the Company by Casino Gold and certain lenders	-	1,357,291
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	119,455	529,310
Prepaid expenditures realized through exploration and evaluation assets	-	154,072
Cash paid for income taxes	-	-
Cash paid for interest	-	-

For the year ended March 31, 2020, cash paid for income taxes and interest were \$Nil (period ended March 31, 2019 - \$Nil).

8. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Nevada, USA.

9. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss (income) and comprehensive loss (income) differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***9. INCOME TAXES (continued)**

	2020	2019
	\$	\$
(Loss) income before income taxes	(2,549,160)	(9,487,206)
Income tax (recovery) expense at statutory rate	(688,000)	(2,562,000)
Non-deductible differences	94,000	2,386,000
Change in statutory tax, exchange rates and other	(229,000)	(118,000)
Deferred income tax asset acquired	-	(348,000)
Share issuance costs	(49,000)	-
Adjustment to prior year provision versus statutory returns	(44,000)	-
Change in unrecognized temporary differences	916,000	642,000
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2020	2019
	\$	\$
Deferred income tax assets		
Unrecognized deferred income tax assets	(5,272,000)	(4,356,000)
Other	60,000	-
Exploration and evaluation assets	(89,000)	(91,000)
Non-capital loss carry-forwards	5,301,000	4,447,000
	-	-

As at March 31, 2020, the Company has Canadian non-capital loss carry forwards of \$3,612,477 that may be available for tax purposes. The Company's non-capital losses expire as follows:

Expiry Date	\$
2033	160,730
2034	148,309
2035	154,168
2036	150,974
2037	154,683
2038	96,874
2039	948,521
2040	1,798,218
	<u>3,612,477</u>

At March 31, 2020, the Company had net operating loss carry forwards for United States income tax purposes of approximately \$20,601,163 (US\$14,538,936) (2019 – \$18,964,000 (US\$14,191,000)) which, if not utilized to reduce United States taxable income in future periods, expire through the year 2036. These available tax losses may only be applied to offset future taxable income from the Company's current US subsidiary.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value.

The Company's financial assets consist of cash and short-term investments. The carrying values of cash, short-term investments, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has \$124,897 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at March 31, 2020 would change the Company's loss by \$6,377 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

Victory Metals Inc.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020 and six months ended March 31, 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the year ended March 31, 2020.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

The following discussion is management's assessment and analysis of the results and financial condition of Victory Metals Inc. (the "Company" or "Victory") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is June 17, 2020.

The scientific and technical geological content and interpretations contained in this report have been reviewed and approved by the Company's VP of Exploration, Cal Herron, P.Geo., a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). The scientific and technical metallurgical content and interpretations contained in this report have been reviewed and approved by Jeffery L. Woods, B.Sc., SME-QP, MMSA-QP, a Qualified Person as defined by NI 43-101.

Description of Business

The Company was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company owns a 100% interest in the Iron Point Vanadium Project, consisting of 730 unpatented lode claims covering approximately 12,822 acres, located in the Iron Point mining district 22 miles east of Winnemucca, Humboldt County, Nevada (USA) (the "Project" or the "Property"). The Project straddles Interstate 80, has high voltage electric power lines running through the project area and a railroad line passing across the northern property boundary. The Company is well financed to advance the project through resource estimation and initial feasibility study work. In addition to the Property, the Company has the option to acquire interests in up to a further 104 acres contiguous to the Property.

On October 1, 2018, the Company entered into a letter of intent ("LOI") with Casino Gold Corp. ("Casino Gold"), pursuant to which the Company agreed to acquire all of the issued and outstanding securities of Brownstone Ventures (US) Inc. ("Brownstone"), a wholly-owned subsidiary of Casino Gold (the "Acquisition"). The Acquisition constitutes a reverse takeover (the "Transaction") of the Company under the policies of the TSX Venture Exchange ("TSX-V") as the former shareholders of Brownstone acquired control of the Company.

On January 31, 2019, the Company received approval from the TSX-V and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share and completed the Transaction with Brownstone, which became a wholly-owned subsidiary of the Company. Pursuant to the Transaction, Casino Gold received an aggregate of 41,837,681 common shares as consideration for the sale of Brownstone. On February 1, 2019, the Company changed its name to Victory Metals Inc. and on February 8, 2019, commenced trading on the TSX-V under the ticker symbol VMX. The Acquisition was considered a reverse takeover for accounting purposes and Brownstone is considered the continuing entity.

As of the date of this MD&A and as of March 31, 2020, the Company's Board of Directors consisted of the following: Paul Matysek (Executive Chairman), Collin Kettell, Craig Roberts and Doug Forster.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.victorymetals.ca.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

Project Summary

Iron Point Vanadium Deposit

Land History

The Project consists of 730 unpatented lode claims covering approximately 12,822 acres. The claim group is in North-Central Nevada in Humboldt County, 35 kilometers east of Winnemucca and centered at UTM Zone 11N geographical coordinates 472,000E, 4,531,000N (Lat 40.935°, Long 117.327°). Winnemucca is the largest town in the area with a population of 7,900. The project has been extensively explored for gold by numerous operators, but Newmont USA Ltd. ("Newmont") conducted drilling specifically for vanadium in 1966 and discovered widespread, low grade mineralization that was not of interest at the time.

The claims are owned by Brownstone Ventures (US) Inc. ("Brownstone"), a wholly owned subsidiary of Victory Metals Inc. (the "Company" or "Victory"). Brownstone holds a 100% interest in the claims.

On October 10, 2018, Victory, through Brownstone, entered into an option agreement with Ms. Patricia Tintle to acquire her 100% undivided interest in the Silver Coin Claim group which comprises 20.7 acres of unpatented land contiguous to the Company's Iron Point Vanadium Project. Under the terms of the agreement, Victory may exercise the option by making the following payments – 1) US\$50,000 (already paid) within five days of signing, 2) US\$50,000 on the first anniversary of signing (already paid), 3) US\$50,000 on the second anniversary of signing, and 4) US\$150,000 on the third anniversary of signing. Further, Victory has agreed to complete the first three payments (US\$150,000) irrespective of whether the Company elects to complete the option payment (total of US\$300,000). Upon making the final payment, Victory will own 100% of the Silver Coin Claim group with no underlying NSR or outstanding obligations.

On October 24, 2018, Victory entered into an option agreement with Canarc Resource Corp. ("Canarc") on its wholly-owned Silver King Patented claim group, also contiguous to the Company's Iron Point claims. The Silver King property consists of four patented mining claims totalling 83 acres (Silver King, Silver King #1, Silver Queen and Silver Coin Annex Extension). Under the terms of the ten-year agreement, Canarc will receive annual payments of US\$12,000 (the first of which was made on signing) plus an option exercise payment of US\$120,000. Upon exercise of the option, Canarc will retain a 2% NSR royalty on the property of which Victory will have the right to buy back one-half (1%) of the royalty for US\$1,000,000.

On February 5, 2019, Victory entered into a purchase agreement with Nevada Pursuit LLC, a wholly-owned subsidiary of Golden Pursuit Resources Ltd., to acquire a 100% interest in the Prince Claims. The Prince Claims consist of six unpatented lode mining claims (Prince 1-6) totalling 124 acres, contiguous to the Company's Iron Point vanadium project. Under the terms of the agreement, Victory paid a one-time fee of US\$30,000 to have and to hold all of the seller's right, title, and interest in the Prince group of claims. No NSR is applicable to these claims.

Environmental Permitting

The Property is located on Multiple Use BLM (Bureau of Land Management) lands administered by the Winnemucca District Office and is subject to surface management regulations contained in 43 CFR 3809. All mineral-related exploration or mining activities must be permitted either under a Notice (less than 5 acres of disturbance) or a Plan of Operation (exceeds 5 acres of disturbance).

An environmental scoping report dated October 3, 2018, was produced for the Property by consultants with EM Strategies, a consulting group based in Reno, Nevada. As stated in this preliminary scoping study, the Property is a relatively undeveloped site with no fatal flaw issues identified and historic exploration and mining centres existing in the east central portion of the Property. As is typical with almost all properties in Nevada there is the potential for the presence of cultural resources. These resources, if identified as eligible, may be mitigated through a well-defined process such that they would not impede development.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

For species that are managed by the Bureau of Land Management or the Nevada Department of Wildlife there are also well-defined mitigation methods to address potential impacts should a species of interest be present. In general, there are systems in place for managing these issues that are well established in Nevada. No significant environmental liabilities have been identified in the environmental assessment. A local rancher leases the grazing rights from the BLM within the project area, but these rights do not impact Victory's mineral rights or planned operations.

Victory established a US\$50,000 reclamation bond with the Nevada State BLM Office and is currently operating its exploration program at the Property under a Notice – case file #NVN097176 – approved by the Winnemucca District BLM Office on September 6, 2018. This Notice and subsequent Addendums approve 50 drill sites disturbing 4.96 acres.

Project Infrastructure

The Project area straddles US Interstate 80 (I-80) – a major east-west transcontinental highway. From the Iron Point exit on I-80, dirt roads and jeep trails head north and south into all portions of the Property. The Union Pacific Railroad runs around the northern end of the Property. Regularly scheduled air passenger service is available in Reno, Nevada (260 air-kilometers to the southwest), and in Elko, Nevada (130 air-kilometers to the east).

The Project site does not have electrical service but electrical power is readily accessible. The 522-megawatt North Valmy Generating Station, located 15 kilometres east of the Property, feeds readily accessible, high-voltage transmission lines that run along the I-80 corridor and cross the southern end of the project area. There are currently no developed water supply or water rights attached to the project. Wells can be drilled in the future for sustained drilling but exploratory drilling will rely upon trucked water and temporary reservoirs.

Historical Work

To date there has been over 4,704 metres of core and RC drilled historically within the Iron Point Vanadium zone in approximately 35 holes (records are not consistent). Holes were RC or wireline core, or in some cases a combination of both. Full core information is not available for five of the historical holes as the records were lost and no casing remained on site. For these holes the approximate location of the DDH was gathered from historical maps and field observations. The historical drilling that was completed in the area by Newmont was in 1966. No information is available on these holes in the public record for this report. The majority of the holes drilled on the Iron Point Vanadium zone were drilled by Aur Resources in 1997, with the remaining holes being drilled by Chevron and MolyCorp. Victory and the Qualified Persons are not aware of any records remaining of the Chevron and MolyCorp holes. Aur Resources completed 15 holes totaling 3,817 metres of drilling. Drilling consisted of seven holes of wireline diamond drilling totaling 2,013 metres, and eight holes of RC drilling totalling 1,804 metres. Core and pulps are still available and have been reanalyzed by American Assay Laboratories. Re-logging of these historical holes for geological accuracy is still ongoing at the time of writing this report.

There have been no historic mineral resource or reserve estimates reported for this project that can be documented or reported in any extent.

Project Geology

The project area consists of Lower Paleozoic, Western Assemblage rocks belonging to the Roberts Mountains Allochthon that are unconformably overlain by Tertiary gravels and finally Pliocene basalt. A major range-front fault bounds the property along its eastern margin, and another major fault on the western side juxtaposes Cambrian Prebble Fm. shale against the Western Assemblage lithotypes. According to Willden (1964) the Prebble Fm. is unconformably overlain by an extensive sheet of Golconda Allochthon siliclastic-volcanic units that are exposed immediately west of the project area. These lithotypes are completely absent from the project area yet so close, so the fault separating Prebble from the Western Assemblage at Iron Point must be responsible for a large vertical displacement between these blocks, with the west side having been down-thrown.

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The vanadium mineralization occurs within the upper part of the Western Assemblage, within the Ordovician-age Vinini Formation. Vanadium mineralization is reported at the Silver King Mine (USGS MRDS, Garside 1984) within the underlying Comus Fm. limestone, but this mineralization may be strictly supergene and exotic. A Cretaceous quartz diorite sill intruded Western Assemblage units within the central part of the project area and created an extensive contact-metamorphic halo that resulted in skarnification, hornfel alteration, and carbon remobilization. Carlin-type gold mineralization related to a Tertiary-age, low-temperature hydrothermal system produced widespread anomalous Au-As-Sb-Hg mineralization that was the focus of numerous historical exploration efforts throughout the district.

Recent Exploration

Victory's Maiden Drill Campaign

In September 2018, Victory contracted Harris Exploration Drilling Inc. to commence an 8,000-metre program utilizing two RC drills and one core drill. All work was permitted under a Notice approved by the Winnemucca BLM office on August 31, 2018, and secured by a state-wide reclamation bond accepted September 5, 2018. In addition, on January 19, 2019, Victory contracted Fred Anderson Drilling to complete 300 metres of PQ coring for metallurgical testing.

The drill program was focused around an area of vanadium mineralization that was drilled in the 1960s and 1990s by Newmont and Aur Resources, respectively. The historically drilled area is roughly 1,000 metres in diameter with drilled mineralization extending in places from near surface down to a depth of 200 metres. The drill campaign aimed to identify and outline the geology and distribution of vanadium mineralization, which will be incorporated into a maiden resource estimate that will be completed once the campaign is completed and all drill data has been received and analysed. Samples from the RC and core drilling were sent to American Assay Lab, Reno, Nevada.

By April 10, 2019, Victory had finished the maiden drill campaign and released all assay results. The program had 68 RC holes and four diamond drill holes that collected samples for metallurgical testing.

Highlights from the program included:

- 44 metres grading 0.48% V₂O₅ in VM-02
- 27 metres grading 0.56% V₂O₅ in VM-07
- 46 metres grading 0.38% V₂O₅ in VM-18 (from surface)
- 6 metres grading 0.72% V₂O₅ in VM-51
- 21 metres grading 0.54% V₂O₅ (including 6 metres grading 0.67% V₂O₅) in VM-6
- 23 metres grading 0.63% V₂O₅ (including 6 metres grading 0.88% V₂O₅) in VM-23
- 20 metres grading 0.54% V₂O₅ (including 9 metres grading 0.68% V₂O₅) in VM-26
- 18 metres grading 0.53% V₂O₅ (including 2 metres grading 1.14% V₂O₅) in VM-76
- 20 metres grading 0.60% V₂O₅ in VM-9
- 26 metres grading 0.59% V₂O₅ (including 3 metres grading 0.84% V₂O₅) in VM-67
- 33 metres grading 0.48% V₂O₅ in VM-75
- 37 metres grading 0.55% V₂O₅ (including 5 metres grading 0.80% V₂O₅) in VM-26i
- 14 metres grading 0.63% V₂O₅ (including 4 metres grading 1.00% V₂O₅) in VM-26j
- 26 metres grading 0.42% V₂O₅ in VM-33
- 24 metres grading 0.48% V₂O₅ in VM-34
- 26 metres grading 0.46% V₂O₅ (including 3 metres grading 0.83% V₂O₅) in VM-48
- 21 metres grading 0.43% V₂O₅ (including 4 metres grading 0.60% V₂O₅) in VM-25i
- 26 metres grading 0.35% V₂O₅ (including 3 metres grading 0.61% V₂O₅) in VM-41
- 18 metres grading 0.39% V₂O₅ in VM-58
- 27 metres grading 0.46% V₂O₅ in VM-60

These intercepts are contained in two flat-lying higher grade vanadiferous horizons, referred to as the Upper and New High-Grade Zones, which occur within a broader and extensive envelope of vanadium mineralization within the Vinini Formation.

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This broader envelope generally starts at surface and extends down to a depth of at least 175 metres, with intercepts from surface including:

- 175 metres grading 0.25% V₂O₅ in hole VM-02 (from surface)
- 139 metres grading 0.28% V₂O₅ in hole VM-07 (from surface)
- 168 metres grading 0.21% V₂O₅ in hole VM-4 (from surface)
- 104 metres grading 0.24% V₂O₅ in hole VM-25 (from surface)
- 151 metres grading 0.21% V₂O₅ in hole VM-76 (from surface)
- 152 metres grading 0.23% V₂O₅ in hole VM-1
- 174 metres grading 0.23% V₂O₅ in hole VM-67
- 162 meters grading 0.22% V₂O₅ in VM-74
- 91 metres grading 0.36% V₂O₅ in hole VM-26i
- 110 metres grading 0.27% V₂O₅ in hole VM-33
- 125 metres grading 0.22% V₂O₅ in VM-34
- 81 metres grading 0.25% V₂O₅ in hole VM-25i
- 99 metres grading 0.22% V₂O₅ in hole VM-58
- 110 metres grading 0.25% V₂O₅ in hole VM-60

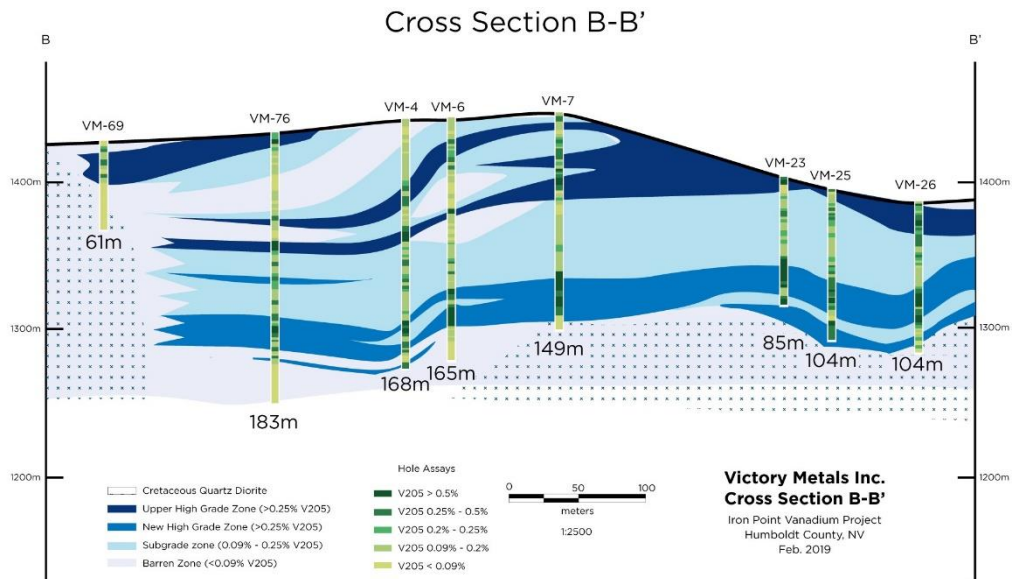
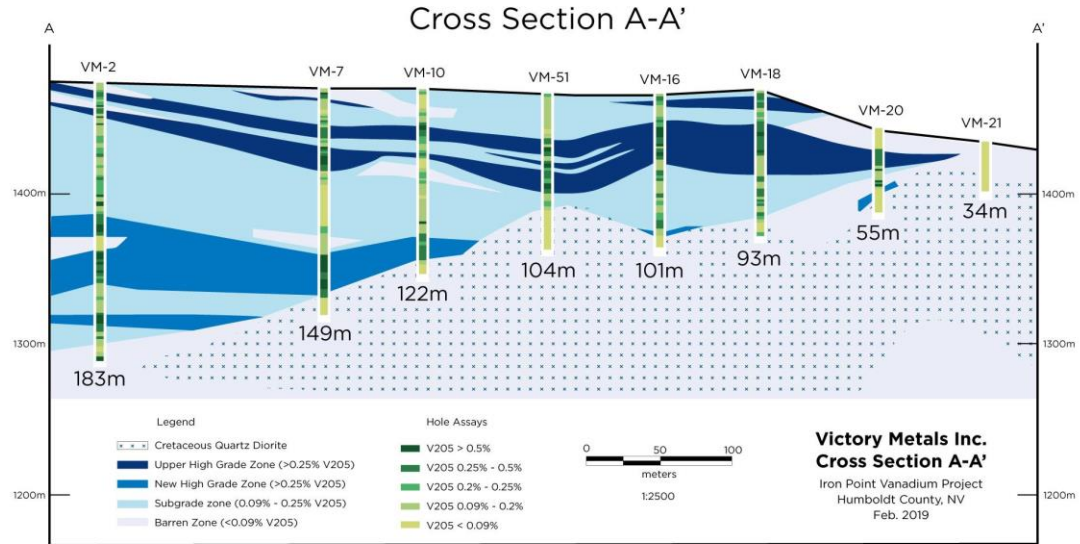
The Upper High-Grade Zone was indicated in historical drilling at Iron Point and was the basis for Victory's initial assessment of the project's resource potential. The New High-Grade Zone is newly discovered by this confirmation drilling campaign and has yielded some of the highest-grade mineralization found to date. Some of the holes tested historical Newmont and Aur Resources holes, and a comparison of the intercept results indicates that the current drilling is returning higher-grade vanadium values. Victory believes that this can be attributed to better sample recovery in the Victory RC drilling. Victory drill results show relatively flat-lying mineralized zones with good correlation between holes. A high degree of continuity was not apparent from historical drilling and the Company believes this significant improvement in zone correlation can be attributed to the higher sample recoveries and greater depth penetration achieved in the current program. Victory believes that this positive correlation of mineralized zones between holes will considerably facilitate the resource estimation process.

Continuity of mineralization in both the lower grade vanadium envelope and the two high-grade zones continues to be strong as drilling extends throughout the southern portion of the historical vanadium mineralized zone, and steps outside of that zone to the south. As indicated in the six sections (Sections A-A', B-B', D-D', E-E', F-F' and G-G'), the Upper High Grade and New High Grade Zones as well as the broader envelope of vanadium mineralization has now been drill defined over an area exceeding 1,200 metres north-south and approximately 700 metres east-west.

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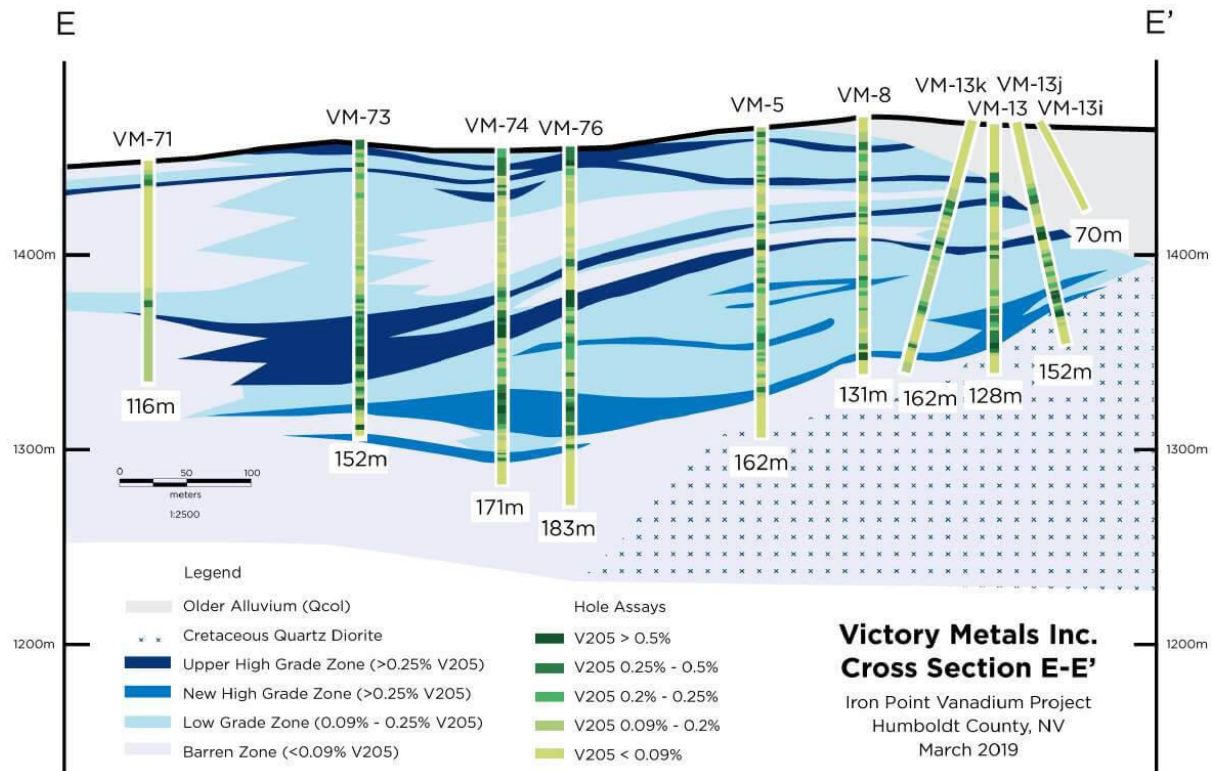
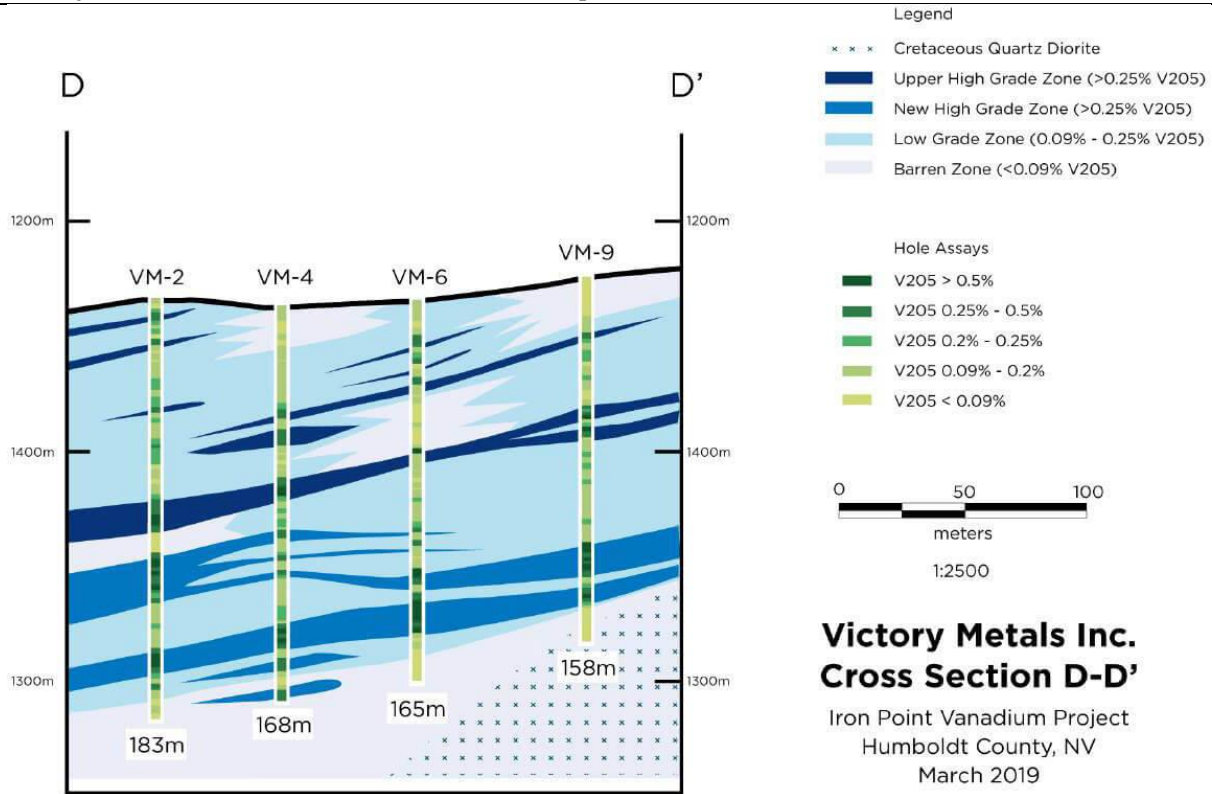
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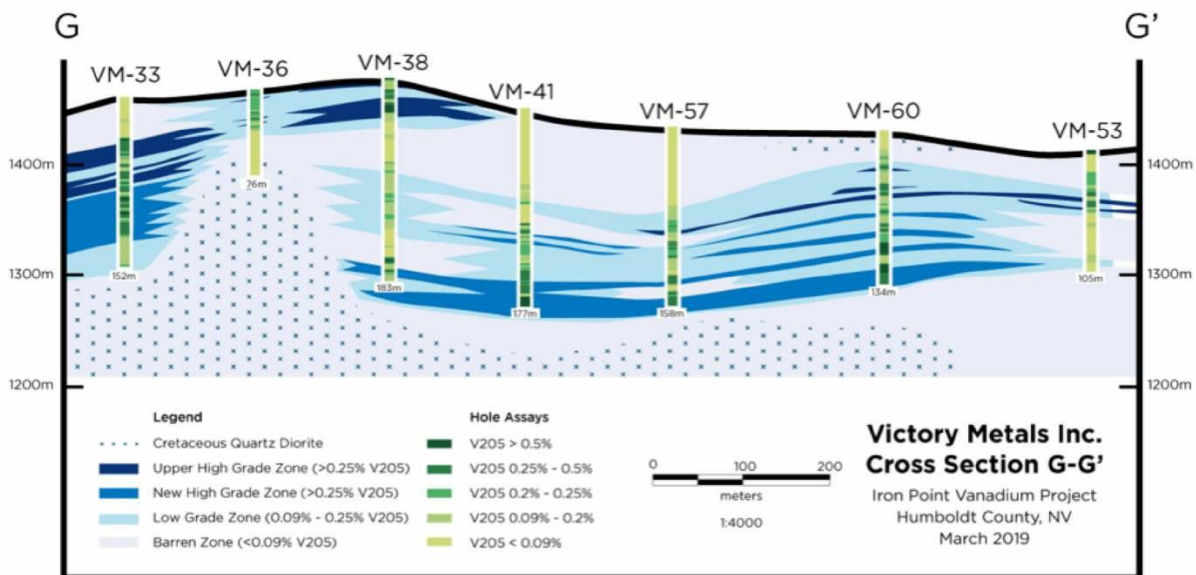
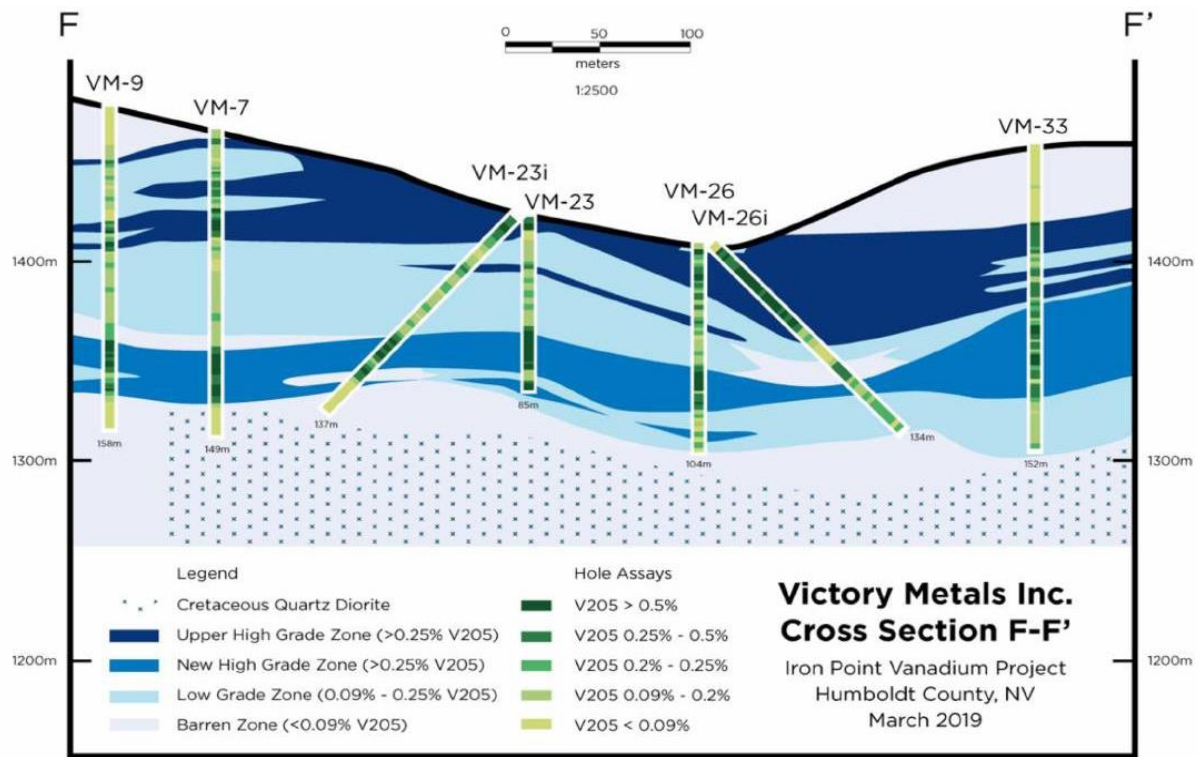
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Based upon the continuing footprint expansion of vanadium mineralization, Victory added additional claims to the Iron Point project bringing the extent of the Property area to an aggregate of 731 claims or 12,842 acres.

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Phase II Drill Campaign

On May 27, 2019, Victory commenced a Phase II, 10,000-metre drill program to further define vanadium mineralization at its Iron Point Vanadium Project in Nevada.

Highlights include:

- The Phase II program consists of 51 holes (approximately 10,230 metres) utilizing two RC rigs and one diamond drill rig. These rigs have been mobilized to the project.
- The program is designed to infill zones of vanadium mineralization defined in the Company's Phase I maiden drill campaign, as well as to test lateral and downward extensions of these zones.
- The program will also provide sample material for the next phase of metallurgical test work. The diamond drill will be utilized for approximately 9 of the 51 planned holes, and these 9 core holes will be distributed over the project area to provide representative metallurgical samples of the vanadium mineralization.

Mine Development Associates ("MDA"), a highly respected resource estimation and engineering firm based in Sparks, Nevada, designed the Phase II program based on preliminary geostatistical analysis of the Phase I results, with the objective of ensuring the drill spacing after Phase II will be sufficient for a resource estimate predominantly in the measured and indicated category.

Following the results of the Phase I maiden drilling campaign, Victory worked with MDA to evaluate the overall extent of the vanadium mineralization at Iron Point, and to position holes to support the planned maiden resource estimation work. With this objective MDA has developed the Phase II drill program of 53 holes (44 RC and 9 core holes). The drill pattern covers a north-westerly trending zone measuring 1,800 metres long by 550 meters wide. Hole depths range from 130 meters to 280 meters with angles ranging from -45° to vertical. Most of the holes are concentrated within the southern half of the property, where the previous drill holes were more widely spaced and where holes failed to fully penetrate both mineralized horizons.

Two RC drills, one buggy-mounted and the other track-mounted, operated by New Frontier Drilling were engaged in perimeter definition drilling. The core drill was operated by National and drilled PQ-size core that provided samples for metallurgical testing. The RC drilling operated on a dayshift basis, while the core drill utilized 24-hour drilling.

The holes were collared from existing historical drill roads, with several holes being drilled at an angle, allowing for minimal surface disturbance, importantly allowing Victory to complete the program on its existing state-bonded Notice. The Company has been working closely with the Bureau of Land Management, Humboldt County, to ensure that drilling complied closely with the Notice area.

Victory announced assay results from the first set of holes completed during the 40 hole Phase II drilling program on February 18, 2020. This release included thirteen reverse circulation and one HQ diamond drill holes that targeted the central portion of the Iron Point vanadium zone. The 14 drill holes consist of both vertical and angle holes. Eight of these holes are shown in two drill sections oriented in a northwest and northeast direction as shown below. Similar to the results achieved during the Phase I program last year, all of these holes demonstrate good lateral continuity and confirm the near surface, flat-lying nature of vanadium mineralization at the deposit scale. Furthermore, these Phase II holes extended mineralization to greater depths in areas where shallow Phase I drilling failed to fully penetrate the entire vanadium horizons.

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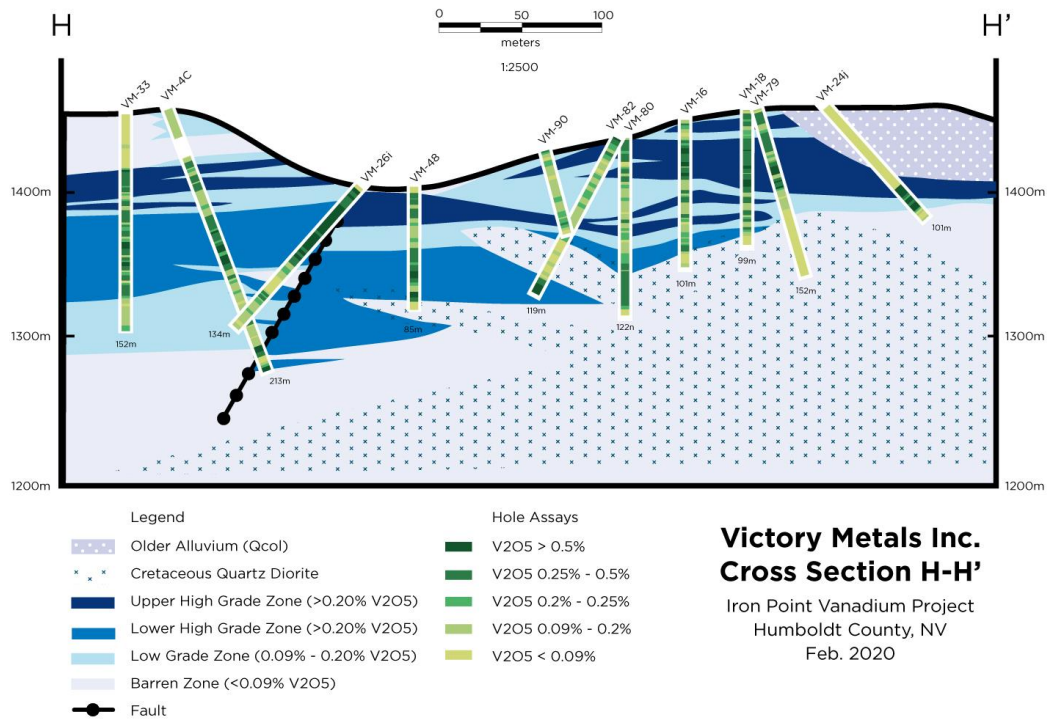


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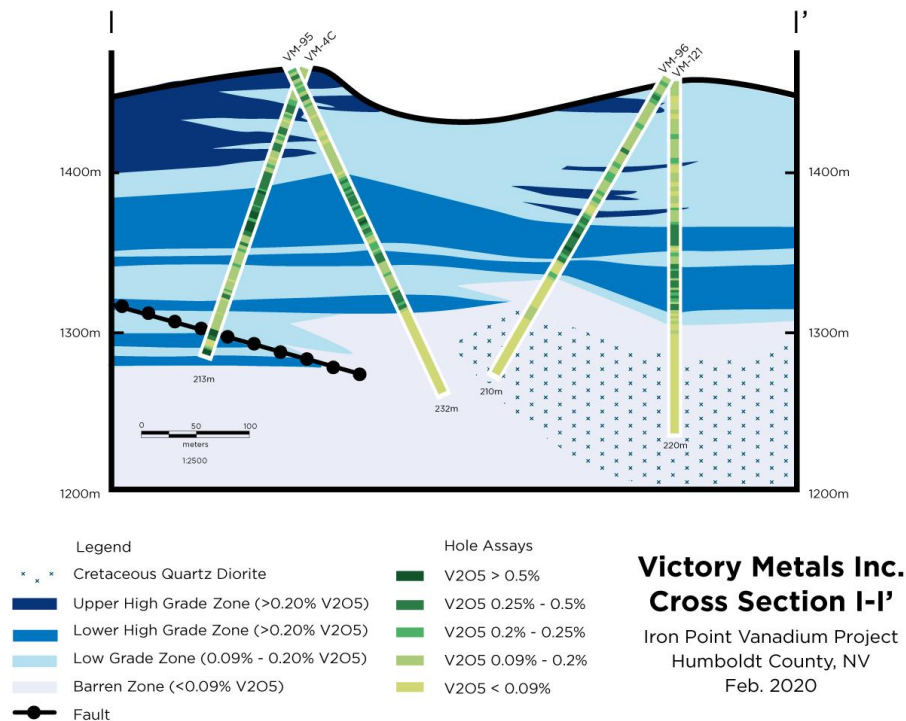
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Cross Section H-H'



Cross Section I-I'



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Highlights

- New high-grade RC drill results include (estimated true thicknesses, see note above Table 1 for definition of aggregate length):
 - 52.4 meters grading 0.47% V_2O_5 (including 5.8 meters grading 1.2% V_2O_5) in VM-4c
 - 37.4 meters grading 0.40% V_2O_5 (including 4.7 meters grading 0.8% V_2O_5) in VM-79
 - 9.3 meters grading 0.41% V_2O_5 in VM-117

As observed in the Phase I drilling these latest intercepts are consistent with two flat-lying higher grade vanadiferous horizons, referred to as the Upper High Grade and New High Grade Zones, which occur within a broader and extensive envelope of lower grade mineralization extending from the surface down to a depth of at least 175 meters. Intercepts of this broader, low grade envelope include (estimated true thicknesses, see the note above Table 1 for definition of Overall Length):

- 156.5 meters grading 0.27% V_2O_5 in VM-4c
 - 150.3 meters grading 0.21% V_2O_5 in hole VM-95
 - 110.9 meters grading 0.21% V_2O_5 in hole VM-96
- Lateral continuity of mineralization in both the lower grade vanadium envelope and the two high-grade zones continues to be consistently high.
- Sections H-H' and I-I' demonstrate vanadium mineralization remains open to the west and east.
- HQ diamond drill hole VM-4c was positioned within this central group to verify earlier Phase I RC drill results. Nearby Phase I RC holes VM-33 and VM-34 have a combined overall average of 97 meters grading 0.27% V_2O_5 , while the overall intercept for VM-4c is 157 meters grading 0.27% V_2O_5 . Based on these results, diamond drilling has confirmed similar V_2O_5 grades as returned from historical RC drilling and no appreciable up-grading or down-grading of V_2O_5 grades is apparent between the two drilling methods.

Drill Results

Assay results for the released intercepts are reported in % V_2O_5 . Intercept lengths have been reduced to true vertical intercepts and are deemed to be true thickness given the flat nature of the mineralized zones being tested. Intercept lengths are reported as an Overall Length, which includes all contiguous assay intervals within the low-grade vanadium blanket zone (at a 0.09% V_2O_5 minimum grade), while higher grade individual zone intercepts reported as aggregate lengths are comprised of samples grading 0.20% V_2O_5 and greater.

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Table 1

Hole #	Zone		From (m)	To (m)	Interval (m)	% V2O5	% V
New Holes Located ALONG Section Lines H-H' & I-I'							
VM 79^	Overall*		7.0	60.7	53.7	0.33	0.19
	Upper Zone		7.0	60.7	37.4	0.4	0.23
		Includes	44.4	49.0	4.7	0.8	0.45
VM 80	Overall*		1.5	94.5	93.0	0.2	0.11
	Upper Zone		1.5	68.6	27.4	0.28	0.16
	New Zone		79.3	94.5	12.2	0.29	0.16
VM 82^	Overall*		0	103.0	103.0	0.17	0.10
	Upper Zone		0	39.6	19.8	0.26	0.15
	New Zone		67.3	103.0	10.6	0.36	0.20
VM 90^	Overall*		0	87.4	87.4	0.21	0.12
	Upper Zone		0	54.4	24.3	0.23	0.13
	New Zone		64.5	87.4	18.6	0.38	0.21
VM 95^	Overall*		0	150.3	150.3	0.21	0.12
	Upper Zone		0	22.2	10.5	0.26	0.15
	New Zone		62.7	149.0	57.5	0.3	0.17
VM 96^	Overall*		0	110.9	110.9	0.21	0.12
	Upper Zone		11.9	84.5	22.4	0.23	0.13
	New Zone		89.8	110.9	21.1	0.37	0.21
VM 121	Overall*		30.5	143.3	112.8	0.18	0.10
	Upper Zone		35.1	80.8	4.6	0.21	0.12
	New Zone		89.9	143.3	35.1	0.3	0.17
VM 4c^	Overall*		22.5	179.1	156.5	0.27	0.15
	Upper Zone		22.5	54.7	19.2	0.28	0.16
	New Zone		71.9	179.1	52.4	0.47	0.26
		Includes	101.0	106.8	5.8	1.2	0.67
New Holes Located OUTSIDE of Section Lines H-H' & I-I'							
VM 91^	Overall*		0	60.7	60.7	0.20	0.11
	Upper Zone		0	37.4	22.2	0.33	0.19
	New Zone		57.2	58.4	1.2	0.23	0.13
VM 92^	Overall*		6.2	69.9	63.7	0.17	0.10
	Upper Zone		6.2	48.7	10.0	0.27	0.15
	New Zone		51.2	66.2	15.0	0.29	0.16
VM 94^	Overall*		3.3	128.2	124.9	0.19	0.11
	Upper Zone		3.3	42.7	19.7	0.25	0.14
	New Zone		63.6	128.2	31.8	0.31	0.17
VM 98^	Overall*		13.4	126.7	113.3	0.18	0.10
	Upper Zone		19.5	78.0	15.8	0.22	0.12
	New Zone		81.6	126.7	24.4	0.25	0.14
VM 117^	Overall*		0	107.4	107.4	0.21	0.12
	Upper Zone		0	65.4	39.7	0.29	0.16
	New Zone		98.1	107.4	9.3	0.41	0.23
VM 118^	Overall*		42.2	77.9	35.6	0.14	0.08
	New Zone		43.6	77.9	2.6	0.27	0.15
* Overall values represent contiguous averages that include V2O5 values ranging from 0% to 1.71%							
^ Denotes angle hole							

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Metallurgy

Phase I Testing

A total of 197 RC drill reject samples were delivered to McClelland Laboratories of Sparks, Nevada, for sample preparation, assaying, and compositing.

A Master Composite sample was constructed using 197 drill cuttings interval samples that best represented both the spatial and stratigraphic distribution of mineralized zones throughout the Iron Point Project as described in the table and shown in map. Specifically, the Master Composite is made up of cuttings from drill intervals ranging between a depth of 1.5 metres to 164.6 metres. Intervals incorporated into the composite had a minimum grade of 0.17% V₂O₅, a maximum grade of 1.14% V₂O₅, a median grade of 0.38% V₂O₅, and a mean (unweighted) grade of 0.34% V₂O₅ from triplicate analysis.

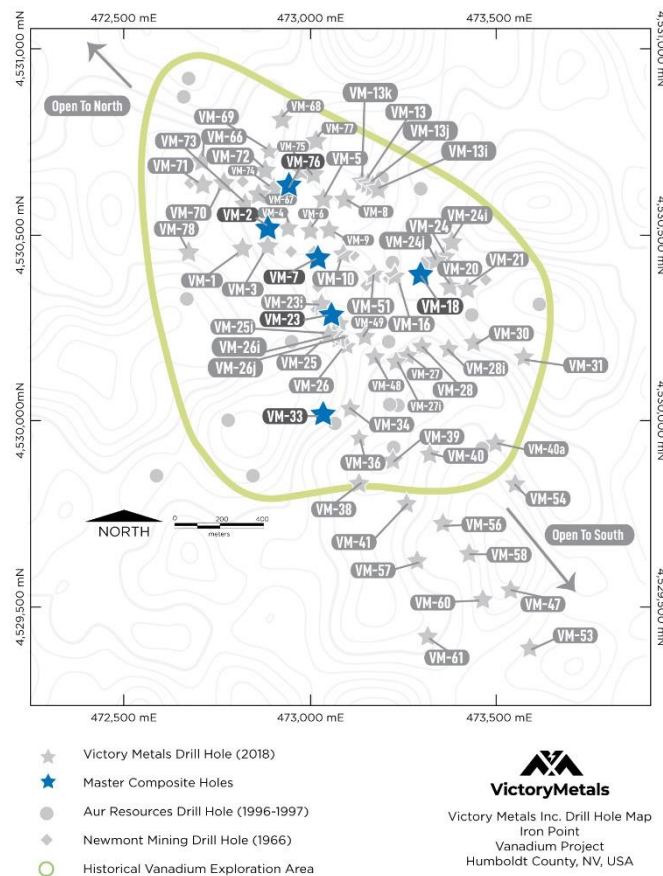
Table 1: RC Drill Cutting Intervals used in the Master Composite.

RC Hole ID	Number	Range of Depth m		V ₂ O ₅ %		
		Min	Max	Min	Max	Mean
VM-2	36	9.1	164.6	0.21	0.79	0.45
VM-7	39	6.1	137.2	0.20	0.79	0.46
VM-18	31	4.6	65.5	0.21	0.64	0.38
VM-23	18	1.5	85.3	0.25	0.99	0.61
VM-33	44	42.7	128.0	0.21	0.71	0.35
VM-76	29	6.1	146.3	0.17	1.14	0.42

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After a review of published work and some early test work on drill core samples, a Design of Experiments program (DOE) was initiated as a scoping level trial using four primary leaching factors, namely: leach temperature, slurry solids density, hydrofluoric acid dosage and sulfuric acid dosage. DOE methods are used to determine the effects of several factors at once and are statistically analyzed to determine the effects of each factors, i.e. acid dosage or temperature, also the interaction of two or more factors on the system, i.e. temperature and slurry solids density.

Owing to the number of factors, a two-level factorial design was used for the initial runs. Sixteen tests were run using different combinations of high and low values for each of the factors. All tests were run at atmospheric pressure with a leach time of eight hours. Initial factor high and low levels were selected based on similar unit operations currently used in the industry, i.e. slurry solids density 20 to 40 percent, which is common in flotation concentrate products and gold leach circuits, respectively. Owing to the atmospheric leaching process, maximum temperature considered was 90 degrees centigrade. Intermittent samples were taken at two, four, and six hours and each solution analyzed for pH, oxidation-reduction potential (ORP), and acid concentration. For each test make-up, water and reagents were added as required to maintain the DOE factor levels. At the termination of the test, samples were filtered with dried solids and leach solutions submitted for analyses. Statistical analysis of the data was done using Stat-Ease's Design Expert and SAS' JMP statistical analysis software.

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Table 2: DOE Parameter Matrix with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 16 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-1	Lo	Lo	Hi	Lo	8	47.3	115
DOE-2	Lo	Lo	Lo	Hi	8	48.9	189
DOE-3	Lo	Hi	Lo	Lo	8	21.3	103
DOE-4	Lo	Hi	Hi	Hi	8	53.5	170
DOE-5	Lo	Lo	Lo	Lo	8	33.7	122
DOE-6	Lo	Hi	Hi	Lo	8	33.0	99
DOE-7	Lo	Hi	Lo	Hi	8	44.0	102
DOE-8	Lo	Lo	Hi	Hi	8	65.7	N/A*
DOE-9	Hi	Hi	Hi	Hi	8	90.6	142
DOE-10	Hi	Lo	Lo	Hi	8	89.0	103
DOE-11	Hi	Hi	Lo	Lo	8	41.8	118
DOE-12	Hi	Lo	Hi	Lo	8	92.8	88
DOE-13	Hi	Hi	Hi	Lo	8	66.9	127
DOE-14	Hi	Lo	Lo	Lo	8	71.5	112
DOE-15	Hi	Hi	Lo	Hi	8	75.3	127
DOE-16	Hi	Lo	Hi	Hi	8	94.3	101

**Conditions for DOE-8 are being re-run owing to anomalies with the acid balance results.*

The table shows the high and low level for each of the tests, as well as two of the primary responses, namely eight hour vanadium recovery percentage and sulfuric acid consumption. Highlighted areas correspond to the upper quartile of vanadium recovery, i.e. the top four tests. The highest vanadium recoveries are associated with some combination of higher sulfuric acid dosage and temperature. The best four combinations average 91.7% vanadium recovery with the highest recovery of 94.3% associated with a low percentage of solid solution, and higher temperature and acid dosage. The upper quartile vanadium tests show acid consumptions ranging between 88 kg/t and 142 kg/t with an average of 109 kg/t. The high temperature runs consistently outperformed the low temperature runs with respect to vanadium. Acid dosages have a lower level of impact than temperature on recovery. High solids density has a negative influence on the recovery, though not as statistically significant as temperature or sulfuric acid dosage.

Phase II Testing: Centre Point Runs

The original experimental design was augmented with additional tests to determine if the metallurgical response is linear or exhibits curvature for any of the variable. A total of four tests using the midpoint between the low and high values was used as the centre points. Summary data is presented in Table 3 and is shown graphically in Figure 4.

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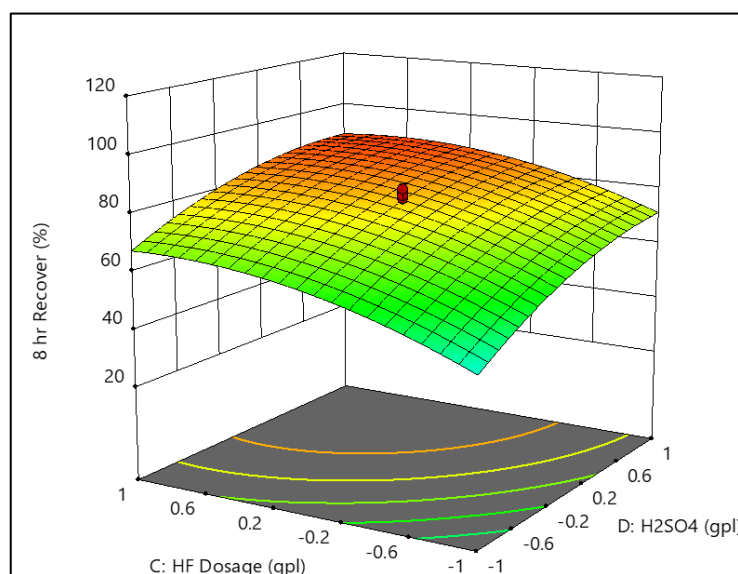
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Table 3: DOE Centre Point Runs with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 16 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-17	C	C	C	C	8	80.6	76
DOE-18	C	C	C	C	8	74.6	89
DOE-19	C	C	C	C	8	83.2	86
DOE-20	C	C	C	C	8	80.9	107

Vanadium recoveries for the centre point runs ranged between 74.6% and 83.2% with an average of 79.8%. Sulfuric acid consumptions ranged between 76 kg/t and 107 kg/t with an average of 89.4 kg/t. As shown in Figure 4, curvature is evident in the leaching system being considered. The plot shows vanadium recovery versus sulfuric and hydrofluoric acid dosage at eight hours of leaching in coded values. The coded values related to the low and high levels being tested, with -1 equal to Low level, +1 equal to High level and zero equal to the centre points. The surface represents the experimental model and the red dots representing the results of the centre point runs to further define the experimental leaching model, the original DOE was augmented to a surface response experimental design and additional tests conducted.

Figure 4: Plot of DOE Centre Point Runs Vanadium Recovery vs. H₂SO₄ and HF Dosage Leach Test Results, Iron Point Master Composite, for each of the 4 Tests



Phase III Testing: Surface Response Experimental Design.

The original DOE series with center points was augmented with 17 additional tests focusing on maximizing vanadium recovery and minimizing acid dosage. Table 4 contains the variable set points in coded values with pertinent metallurgical results. As expected during the surface response testing, there was a large range in metallurgical performance with vanadium recovery ranging between 26.2% and 91.5%. Sulfuric acid consumption ranged between 7.4 kg/t and 234.0 kg/t of ore. Figure 6 illustrates the surface response model for vanadium recovery versus acid dosage in coded values.

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Table 4: Surface Response DOE with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 17 Tests

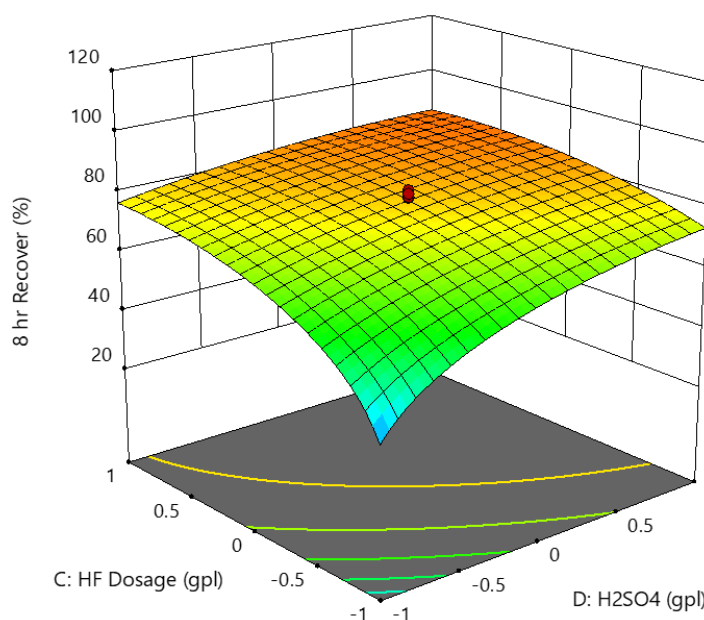
Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-39	0.00	0.00	0.00	1.67	8	89.0	126
DOE-40	0.00	0.00	0.00	-1.33	8	40.3	144
DOE-41	-1.66	0.00	0.00	0.00	8	64.1	131
DOE-42	0.00	0.00	0.00	0.00	8	84.2	130
DOE-43	0.00	0.00	0.00	1.67	8	90.5	128
DOE-44	0.00	-1.70	0.00	0.00	8	91.5	83
DOE-45	0.00	0.00	-0.17	0.00	8	43.0	234
DOE-46	0.00	0.00	-0.17	0.00	8	48.1	194
DOE-47	-1.66	0.00	0.00	0.00	8	26.2	NA
DOE-48	0.00	-1.70	0.00	0.00	8	86.7	11
DOE-49	0.00	0.00	0.00	0.00	8	84.3	NA
DOE-50	0.00	0.00	0.00	0.00	8	85.3	9
DOE-51	0.00	2.00	0.00	0.00	8	57.3	117
DOE-52	0.33	0.00	0.00	0.00	8	83.3	100
DOE-53	0.00	2.00	0.00	0.00	8	56.3	126
DOE-54	0.00	0.00	2.00	0.00	8	87.5	7
DOE-55	0.33	0.00	0.00	1.67	8	87.3	39

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Figure 6: Surface Response DOE Vanadium Recovery vs Acid Dosage Agitation Leach Test Results, Iron Point Master Composite, for each of the 17 Tests



Phase IV Testing: Model Confirmation Tests

Confirmation of the leaching model was using the Design Expert software to select factors that would maximize vanadium recovery while minimizing acid consumption. The five combinations tested to date are presented in Table 5. As shown, the model allows for maximizing vanadium recovery with a range of 88.0% to 91.5% and an average of 90.0%. Sulfuric acid consumption averaged 74.8% and ranged between 5 kg/t and 102.0 kg/t. Note that the 5 kg/t consumption for CON-1 is likely an outlier but is included in the analysis at this point.

Table 5: Model Confirmation Runs with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 5 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
CON-1	0.022	0.000	0.000	1.667	8	89.7	5
CON-2	0.511	-0.200	0.787	-0.013	8	90.4	102
CON-3	0.511	-0.200	0.800	-0.013	8	91.5	93
CON-4	0.556	-0.300	0.987	-0.013	8	90.4	81
CON-5	0.422	-0.100	1.000	0.307	8	88.0	93

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Testing of several samples spatially distributed throughout the deposit and at different vanadium grades, will also be completed ("variability testing") to confirm metallurgical responses throughout the deposit. Results of the variability testing will be used to develop the geometallurgical model for the Iron Point deposit and support the engineering and design process. Additionally, bulk samples will be used to generate pregnant leach solution for subsequent solvent extraction and vanadium precipitation testing. Owing to the nature of the Victory leach process, downstream processing of the vanadium rich solutions will be via a commercially proven process to produce a high grade V₂O₅ product.

The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

Year ended March 31, 2020	Iron Point \$	Other \$	Total \$
Acquisition Costs			
Balance as at March 31, 2019	855,023	16,561	871,584
Additions			
Land claim payments and acquisition costs	133,678	102,046	235,724
Disposals			
Sale of exploration and evaluation assets	-	(118,607)	(118,607)
Balance as at March 31, 2020	988,701	-	988,701
Exploration Costs			
Balance as at March 31, 2019	2,228,345	-	2,228,345
Drilling	3,298,841	-	3,298,841
Environmental	167,569	-	167,569
Exploration	125,989	-	125,989
Geochemistry	74,258	-	74,258
Geological information systems and mapping	15,537	-	15,537
Metallurgy	496,003	-	496,003
Resource estimate	100,782	-	100,782
Reclamation	8,803	-	8,803
Staking	1,797	3,992	5,789
Other	120,391	-	120,391
Sale of exploration and evaluation assets	-	(3,992)	(3,992)
Balance as at March 31, 2020	6,638,315	-	6,638,315
Total Exploration and Evaluation Assets			
Balance as at March 31, 2020	7,627,016	-	7,627,016

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	Iron Point	Other	Total
Period ended March 31, 2019	\$	\$	\$
Acquisition Costs			
Balance as at September 30, 2018	599,502	632,317	1,231,819
Additions			
Land claim payments and acquisition costs	255,521	16,561	272,082
Disposals			
Sale of non-Iron Point assets	-	(632,317)	(632,317)
Balance as at March 31, 2019	855,023	16,561	871,584
Exploration Costs			
Balance as at September 30, 2018	105,408	214,252	319,660
Drilling	1,684,220	-	1,684,220
Environmental	14,827	-	14,827
Exploration	92,239	-	92,239
Geochemistry	33,498	-	33,498
Geological information systems and mapping	21,761	-	21,761
Metallurgy	165,821	-	165,821
Resource estimate	39,697	-	39,697
Other	70,874	-	70,874
Sale of non-Iron Point assets	-	(214,252)	(214,252)
Balance as at March 31, 2019	2,228,345	-	2,228,345
Total Exploration and Evaluation Assets			
Balance as at March 31, 2019	3,083,368	16,561	3,099,929

Overall Performance and Results of Operations

Total assets increased to \$9,401,548 at March 31, 2020, from \$7,919,248 at March 31, 2019, primarily as a result of an increases in exploration and evaluation assets of \$4,527,087 partially offset by a decrease in short term investments of \$3,000,000. The most significant assets at March 31, 2020, was cash of \$1,664,164 (March 31, 2019: \$1,658,615) and exploration and evaluation assets of \$7,627,016 (March 31, 2019: \$3,099,929). Cash increased by \$5,549 and short term investments decreased by \$3,000,000 during the year ended March 31, 2020 as a result of exploration and evaluation asset expenditures (net of recoveries) of \$5,078,366 and cash used in operating activities of \$2,173,725 partially offset by the issuance of common shares in the amount of \$4,118,000 and proceeds from the sale of exploration and evaluation assets of \$139,640 during the year ended March 31, 2020.

Year ended March 31, 2020 and six month period ended March 31, 2019

During the year ended March 31, 2020, loss from operating activities increased by \$11,168 to \$2,588,940 compared to \$2,577,772 for the six month period ended March 31, 2019. The increase in loss from operating activities is largely due to:

- An increase of \$220,000 in consulting fees. Consulting fees were \$276,000 for the year ended March 31, 2020, compared to \$56,000 for the six month period ended March 31, 2019. The increase is due to higher consulting fees incurred as a result of increased operations.
- An increase of \$1,177,745 in management and directors fees. Management and directors fees were \$1,495,855 for the year ended March 31, 2020, compared to \$318,110 for the six month period ended March 31, 2019. The increase is due to performance bonuses and compensation paid to key management personnel as a result of increased operations.

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- An increase of \$81,788 in travel. Travel expense was \$104,987 for the year ended March 31, 2020, compared to \$23,199 for the six month period ended March 31, 2019. The increase is due to a greater amount of travel required as a result of increased operations.
- An increase of \$139,942 in office and sundry. Office and sundry was \$166,406 for the year ended March 31, 2020, compared to \$26,464 for the six month period ended March 31, 2019. The increase is due to higher office and sundry expenditures incurred as a result of increased operations.

The increases were partially offset by:

- A decrease of \$1,770,792 in share-based compensation. Share-based compensation was \$331,406 for the year ended March 31, 2020, compared to \$2,102,198 for the six month period ended March 31, 2019. A total of 560,000 fully vested stock options with a value of \$331,406 were granted during the year ended March 31, 2020, compared to 8,470,000 fully vested stock options with a value of \$2,102,198 granted during the six month period ended March 31, 2019.

Other items

For the year ended March 31, 2020, other income was \$39,780 compared to other expenses of \$6,909,434 for the six month period ended March 31, 2019. The \$6,949,214 change is largely due to:

- A decrease of \$6,730,960 in listing expense. The Company completed the Acquisition of Brownstone and recognized a listing expense of \$6,730,960 for the six month period ended March 31, 2019 compared to no such transaction during the year ended March 31, 2020.

The decrease was partially offset by:

- An increase of \$196,039 in gain on disposal of exploration and evaluation assets. The Company disposed of certain other Nevada, USA exploration and evaluation assets and recognized a gain \$10,407 during the year ended March 31, 2020 compared to a loss on disposal of exploration and evaluation assets of \$185,632 as result of a disposal of the Company's other non-vanadium properties during the six month period ended March 31, 2019.

The Company recorded loss and comprehensive loss of \$2,549,160 or 0.03 basic and diluted loss per share for the year ended March 31, 2020 (six month period ended March 31, 2019: \$9,487,206 or 0.04 basic and diluted loss per share).

Selected Annual Financial Information	Year ended March 31,	Six month period ended March 31,	Year Ended September 30
	2019 \$	2019 \$	2018 \$
Total Assets	9,401,548	7,919,248	1,742,660
Operating expenses	(2,257,534)	(475,574)	(1,367)
Share-based compensation	(331,406)	(2,102,198)	-
Foreign exchange (loss) gain	(26,872)	7,158	4,997
Interest income	56,245	-	-
Listing expense	-	(6,730,960)	-
Gain (loss) on disposal of exploration and evaluation assets	10,407	(185,632)	-
Debt forgiveness from New Found Gold Corp.	-	-	679,971
Net (loss) income and comprehensive (loss) income	(2,549,160)	(9,487,206)	683,601
(Loss) earnings per share – basic and diluted ⁽¹⁾	(0.3)	(0.24)	0.04

⁽¹⁾ On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share. Comparative periods have been retroactively restated.

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Three months ended March 31, 2020 and 2019

During the three months ended March 31, 2020, loss from operating activities decreased by \$2,186,403 to \$391,369 compared to \$2,577,772 for the three months ended March 31, 2019. The increase in loss from operating activities is largely due to:

- A decrease of \$78,014 in management and directors fees. Management and directors fees were \$240,096 for the three months ended March 31, 2020, compared to \$318,110 for the three months ended March 31, 2019. The decrease is due to no performance bonuses paid to key management personnel during the three months ended March 31, 2020 compared to the three months ended March 31, 2019.
- A decrease of \$2,102,198 in share-based compensation. Share-based compensation was \$Nil for the three months ended March 31, 2020, compared to \$2,102,198 for the three months ended March 31, 2019. No stock options were granted during the three months ended March 31, 2020, compared to 8,470,000 fully vested stock options with a value of \$2,102,198 granted during the three months ended March 31, 2019.

Other items

For the three months ended March 31, 2020, other income was \$30,812 compared to other expenses of \$6,909,434 for the three months ended March 31, 2019. The \$6,940,246 change is largely due to:

- A decrease of \$6,730,960 in listing expense. The Company completed the Acquisition of Brownstone and recognized a listing expense of \$6,730,960 for the three months ended March 31, 2019 compared to no such transaction during the year ended March 31, 2020.

The decrease was partially offset by:

- An increase of \$196,039 in gain on disposal of exploration and evaluation assets. The Company disposed of certain other Nevada, USA exploration and evaluation assets and recognized a gain \$10,407 during the three months ended March 31, 2020 compared to a loss on disposal of exploration and evaluation assets of \$185,632 as result of a disposal of the Company's other non-vanadium properties during the three month period ended March 31, 2019.

The Company recorded loss and comprehensive loss of \$360,557 or 0.00 basic and diluted loss per share for the three months ended March 31, 2020 (March 31, 2019: \$9,487,206 or 0.24 basic and diluted loss per share).

Summary of Quarterly Results

	2020	2019				2018			
	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	-	-	-	-	-	-	-	-	-
(Loss) income and comprehensive (loss) income for the period	(360,557)	(408,638)	(434,876)	(1,347,526)	(9,487,206)	-	(69)	683,670	
(Loss) earnings per Common Share Basic and Diluted ⁽¹⁾⁽²⁾	(0.00)	(0.00)	(0.00)	(0.02)	(0.24)	N/A	(0.00)	0.04	

⁽¹⁾ On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share. Comparative periods have been retroactively restated.

⁽²⁾ Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

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Liquidity and Capital Resources

As at March 31, 2020, the Company had cash of \$1,664,164 to settle current liabilities of \$124,897.

The Company does not currently have a recurring source of revenue, other than interest income on its short-term investments and has historically incurred negative cash flows from operating activities. As at March 31, 2020, the Company had working capital of \$1,649,635 consisting primarily of cash. Although the Company presently has sufficient financial resources to cover its existing obligations and operating costs, the Company expects to require further funding in the longer term to fund its planned programs for the next year. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company's ability to continue as a going concern.

The sources of funds currently available to the Company for its acquisition and exploration projects are solely due from equity financing.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

October 2019 Financing – Net Proceeds of \$500,000

In October 2019, the Company completed a non-brokered private placement of 746,268 common shares at a price of \$0.67 per common share for total proceeds of \$500,000. The Company intends to use these proceeds for working capital purposes to fund ongoing operations.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at March 31, 2020 \$
Uses of Funds:			
Working capital to fund ongoing operations	500,000	-	(500,000)
Total Uses	500,000	-	(500,000)

May 2019 Financing – Net Proceeds of \$3,618,000

In May 2019, the Company completed a non-brokered private placement of 5,400,000 common shares at a price of \$0.67 per common share for total proceeds of \$3,618,000. The Company paid finder's fees of 270,000 common shares to certain finders in connection with the private placement financing. The Company intends to use these proceeds to continue advancement towards resource definition, completion of a Preliminary Economic Assessment and Phase II drill program.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at March 31, 2020 \$
Uses of Funds:			
Acquisition, exploration and evaluation	3,618,000	3,555,937	(62,063)
Total Uses	3,618,000	3,555,937	(62,063)

\$3,105,687 was used towards the Company's Phase II drilling program which commenced in May of 2019 and was completed in the second quarter of fiscal year ended March 31, 2020.

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Prior Financings

January 2019 Financing – Net Proceeds of \$5,950,000

On January 31, 2019, the Company completed a non-brokered private placement financing of 17,000,000 subscription receipts at \$0.35 per subscription receipt for gross proceeds of \$5,950,000. Each subscription receipt automatically converted into one common share of the Company upon completion of the acquisition of Brownstone. The Company paid finder's fees of 514,942 common shares to certain finders in connection with the private placement financing.

A comparison of the use of proceeds disclosed in the Filing Statement dated January 28, 2019, to management's current estimate of the use of proceeds is as follows:

	Intended Use of Proceeds (Estimated)	Actual Use of Proceeds	Over/(Under)- Expenditure at March 31, 2020
Uses of Funds:	\$	\$	\$
Costs related to the Transaction	150,000	114,748	(35,252)
Property work program	2,151,350	2,151,350	-
Property payments, acquisition and maintenance costs	218,700	218,700	-
General and administrative expenses for the first 12 months	2,148,000	2,414,672	(266,672)
Working capital to fund ongoing operations	1,281,950	-	(1,281,950)
Total Uses	5,950,000	4,899,470	(1,050,530)

The Company incurred \$1,092,687 on the Phase I 2019 property work program for the Iron Point Project, which included Phase I reverse circulation drilling and metallurgical testing. The 2019 Phase I work program activities was completed during the Company's second quarter. \$1,058,663 was used towards the Company's Phase II drilling program which commenced in May of 2019 and was completed in the second quarter of fiscal year ended March 31, 2020. The Company has used \$2,414,672 of the proceeds from the January 2019 financing for general and administrative expenditures primarily related to consulting, executive management and directors fees of \$1,838,869 and advertising, professional fees, travel and transfer agent fees of \$575,803.

\$1,000,000 Convertible Loan

As at March 31, 2020, the amount due to Casino Gold is \$Nil (March 31, 2019 - \$Nil).

During the six month period ended March 31, 2019, the Company entered into a Convertible Loan agreement with certain lenders (the "Lenders") for a total of \$1,000,000 (US\$762,294). In the event that the acquisition of Brownstone was not completed on or before January 31, 2019, or if the Transaction was terminated prior thereto by any party, the Company, at its election, and with the consent of Casino Gold, within two business days of such termination (the "Conversion Date"), convert all or a portion of the principal, into common shares in the capital of Casino Gold, at a price of \$0.053 per share. Any principal not converted on or before the Conversion Date shall be entitled to interest, at the rate of 10% per annum, calculated from the original date of this Convertible Loan. Thereafter the Company promises to repay the total principal not otherwise converted, plus accrued interest, to the Lenders, within 60 days of the Conversion Date. On closing of the Transaction, the Company issued 5,000,000 common shares in settlement of \$1,000,000 (US\$762,294) that was advanced by the Lenders to the Company, for mutually agreed upon exploration work on the Iron Point Vanadium Project, prior to closing of the Transaction.

Outstanding Share Data

On May 28, 2019, the Company completed a non-brokered private placement of 5,400,000 common shares at a price of \$0.67 per share for gross proceeds of \$3,618,000. The Company also issued 270,000 common shares with a value of \$180,900 to certain finders in connection with the private placement.

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On October 24, 2019, the Company completed a non-brokered private placement of 746,268 common shares at a price of \$0.67 per share for gross proceeds of \$500,000.

During the year ended March 31, 2020, 560,000 stock options were granted to directors, officers and consultants with an exercise price of \$0.63 and an expiry date of June 17, 2024.

As at March 31, 2020 and the date of this report, there were 91,134,068 common shares issued and outstanding.

As at March 31, 2020 and the date of this report, there were 9,030,000 stock options and no warrants outstanding.

Related Party Balances and Transactions

Key Management Personnel Compensation

During the year ended March 31, 2020, key management personnel compensation totaled \$1,676,353 (period ended March 31, 2019 - \$1,985,232) comprised of management fees and bonuses of \$1,375,855 (period ended March 31, 2019 - \$298,110) paid to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman, \$120,000 (period ended March 31, 2019 - \$20,000) paid to directors and share-based compensation of \$180,498 (period ended March 31, 2019 - \$1,667,122) relating to 305,000 (period ended March 31, 2019 - 5,900,000) stock options granted to directors and officers of the Company.

Under the terms of their management agreements, certain officers of the Company are entitled to 18 months of base pay in the event of their agreements being terminated without cause.

Due to Casino Gold Corp.

As at March 31, 2020, the amount due to Casino Gold is \$Nil (March 31, 2019 - \$Nil).

During the period ended March 31, 2019, the Company received advances of \$357,291 (US\$269,674) from Casino Gold, a related party to the Company, to fund exploration activities. The amount due was non-interest bearing, had no terms of repayment and was due on notice from Casino Gold Corp. Subsequent to the completion of the Acquisition of Brownstone, the Company reimbursed Casino Gold \$728,538 (US\$553,222) for mutually agreed upon exploration work on the Iron Point Vanadium Project prior to closing of the Transaction and disposed of its non-vanadium properties to a subsidiary of Casino Gold in consideration for extinguishing \$660,937 (US\$508,707) in amounts owed to Casino Gold.

Convertible Loan

During the period ended March 31, 2019, the Company entered into a Convertible Loan agreement with certain lenders (the "Lenders") for a total of \$1,000,000 (US\$762,294). In the event that the Acquisition of Brownstone was not completed on or before January 31, 2019, or if the Acquisition was terminated prior thereto by any party, the Company, at its election, and with the consent of Casino Gold, within two business days of such termination (the "Conversion Date"), convert all or a portion of the Principal, into common shares in the capital of Casino Gold, at a price of \$0.053 per share. Any principal not converted on or before the Conversion Date shall be entitled to interest, at the rate of 10% per annum, calculated from the original date of this Convertible Loan. Thereafter the Company promises to repay the total principal not otherwise converted, plus accrued interest, to the Lenders, within 60 days of the Conversion Date.

On closing of the Transaction, the Company issued 5,000,000 common shares in settlement of \$1,000,000 (USD\$762,294) that was advanced by the Lenders to the Company, for mutually agreed upon exploration work on the Iron Point Vanadium Project, prior to closing of the Transaction

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Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating vanadium properties. It is exposed to a number of risks and uncertainties that are common to other vanadium mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Mining Exploration and Development

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Iron Point Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

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For the year ended March 31, 2020 and six month period ended March 31, 2019

Risks Associated with Vanadium Markets

Vanadium is not an exchange traded commodity and is sold directly to end users. The profitability of the Company's vanadium operations will be dependent upon the market price of vanadium. Vanadium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of vanadium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Depending on the market price of vanadium, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Public Health Crises such as the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

Significant economic and social impacts have limited the Company's ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

Environmental Risks and Hazards

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Dependence on Iron Point Project

The Company's only material mineral property is the Iron Point Project. As a result, unless the Company acquires or develops any additional material properties or projects, any adverse developments affecting this project or the Company's rights to develop this property could materially adversely affect the Company's business, financial condition and results of operations.

Risks Associated with Potential Acquisitions

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

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For the year ended March 31, 2020 and six month period ended March 31, 2019

Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Negative Operating Cash Flow

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Financing

Additional funding will be required to complete the proposed or future exploration and other programs on the Company's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations. The majority of sources of funds currently available to the Company for its acquisition and exploration projects are in large portion derived from the issuance of equity.

While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and evaluation programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Victory Metals Inc.

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Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the market for vanadium is principally denominated in U.S. dollars.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Enforcement of Civil Liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Critical Accounting Policies and Estimates

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters

(ii) Critical accounting judgments

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at March 31, 2020.

Financial Instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized cost
Short-term investments	Amortized cost
GST receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

Changes in Accounting Standards and Interpretations

The Company adopted *IFRS 16 – Leases*, effective for the annual period beginning on April 1, 2019. There was no impact on the consolidated financial statements.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future.

The Company has \$124,897 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at March 31, 2020 would change the company's loss by \$6,377 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

Capital management

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the year ended March 31, 2020.

Victory Metals Inc.

Management's Discussion and Analysis

For the year ended March 31, 2020 and six month period ended March 31, 2019

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions as at the date of this report.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is focused on becoming a low-cost supplier for the vanadium industry. The Company has currently completed a Phase II drilling program to define a recourse, is completing metallurgical studies to identify a cost-effective extraction process and is seeking attractive and accretive acquisitions in the vanadium sector. Victory is leveraging the extensive track record of its management team in unlocking value of the Iron Point Vanadium project.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

**EXHIBIT 3
TO APPENDIX H**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE SIX MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

AND

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019**

(see attached)

Victory Metals Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019

(Unaudited - Expressed in Canadian Dollars)

Victory Metals Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		September 30, 2020 \$	March 31, 2020 \$
	Note		
ASSETS			
Current assets			
Cash		1,625,584	1,664,164
GST receivable		7,790	11,974
Prepaid expenses		78,333	98,394
Total current assets		1,711,707	1,774,532
Non-current assets			
Exploration and evaluation assets	3	7,848,124	7,627,016
Total non-current assets		7,848,124	7,627,016
Total Assets		9,559,831	9,401,548
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	164,726	124,897
Total current liabilities		164,726	124,897
EQUITY			
Share capital	4	37,440,172	37,440,172
Reserves	4	2,433,604	2,433,604
Subscriptions received in advance	4	800,000	-
Deficit		(31,278,671)	(30,597,125)
Total equity		9,395,105	9,276,651
Total Equity and Liabilities		9,559,831	9,401,548
NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)			
SUBSEQUENT EVENTS (Note 10)			

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 2, 2020. They are signed on the Company's behalf by:

"Craig Roberts" , Director

"Doug Forster" , Director

Victory Metals Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss***(Unaudited - Expressed in Canadian Dollars)*

		Three months ended		Six months ended	
		September 30,		September 30,	
	Note	2020	2019	2020	2019
		\$	\$	\$	\$
Expenses					
Advertising		7,344	26,658	16,987	62,431
Consulting		49,800	69,000	94,800	140,000
Management and directors fees	5	236,667	239,768	488,233	1,015,380
Office and sundry		18,222	27,306	35,220	82,410
Professional fees		32,867	51,973	33,060	51,973
Share-based compensation	4, 5	-	-	-	331,406
Transfer agent and regulatory fees		2,808	3,273	6,929	34,388
Travel		-	23,800	-	70,945
Loss from operating activities		(347,708)	(441,778)	(675,229)	(1,788,933)
Foreign exchange loss		(2,034)	(9,432)	(6,317)	(29,332)
Interest income		-	16,334	-	35,863
Loss and comprehensive loss for the period		(349,742)	(434,876)	(681,546)	(1,782,402)
Loss per share – basic and diluted (\$)		(0.00)	(0.00)	(0.01)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		91,134,068	90,387,800	91,134,068	89,241,407

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Victory Metals Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six months ended September 30,	
	2020	2019
	\$	\$
Cash flows from operating activities		
Loss for the period	(681,546)	(1,782,402)
Adjustments for:		
Interest income	-	(30,167)
Share-based compensation	-	331,406
Unrealized foreign exchange (gain) loss	778	(3,467)
	(680,768)	(1,484,630)
Change in non-cash working capital items:		
Decrease in GST receivable	4,184	7,916
Increase in accounts receivable	-	(8,546)
Decrease (increase) in prepaid expenses	15,651	(5,253)
Increase in accounts payable and accrued liabilities	90,343	5,055
Net cash used in operating activities	(570,590)	(1,485,458)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets, net of recoveries	(267,990)	(4,326,563)
Redemptions of short-term investments	-	500,000
Net cash used in investing activities	(267,990)	(3,826,563)
Cash flows from financing activities		
Issuance of common shares in private placement	-	3,618,000
Subscriptions received in advance	800,000	500,000
Net cash from financing activities	800,000	4,118,000
Net decrease in cash	(38,580)	(1,194,021)
Cash at beginning of period	1,664,164	1,658,615
Cash at end of period	1,625,584	464,594

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 6)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Victory Metals Inc.**Condensed Consolidated Interim Statements of Changes in Equity***(Unaudited - Expressed in Canadian Dollars)*

	Share capital		Reserves	Subscriptions received in advance \$	Deficit \$	Total equity \$
	Number of shares	Amount \$	Equity settled share- based payments			
Balance at March 31, 2019	84,717,800	33,322,172	2,102,198	-	(28,047,965)	7,376,405
Shares issued in private placement	5,400,000	3,798,900	-	-	-	3,798,900
Finders shares issued in private placement	270,000	(180,900)	-	-	-	(180,900)
Share-based compensation	-	-	331,406	-	-	331,406
Subscriptions received in advance	-	-	-	500,000	-	500,000
Total comprehensive loss for the period	-	-	-	-	(1,782,402)	(1,782,402)
Balance at September 30, 2019	90,387,800	36,940,172	2,433,604	500,000	(29,830,367)	10,043,409
Shares issued in private placement	746,268	500,000	-	(500,000)	-	-
Total comprehensive loss for the period	-	-	-	-	(766,758)	(766,758)
Balance at March 31, 2020	91,134,068	37,440,172	2,433,604	-	(30,597,125)	9,276,651
Subscriptions received in advance	-	-	-	800,000	-	800,000
Total comprehensive loss for the period	-	-	-	-	(681,546)	(681,546)
Balance at September 30, 2020	91,134,068	37,440,172	2,433,604	800,000	(31,278,671)	9,395,105

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Victory Metals Inc. (the “Company”) was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company’s registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company’s exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements (“financial statements”) have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at September 30, 2020, the Company had an accumulated deficit of \$31,278,671 and equity of \$9,395,105. In addition, the Company has working capital of \$1,546,981, consisting primarily of cash and negative cash flow from operating activities of \$570,590. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company’s ability to continue as a going concern.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. Significant economic and social impacts have limited the Company’s ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 2, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company’s condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards 34 “Interim Financial Reporting”.

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended March 31, 2020, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part I of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary as follows:

	Place of Incorporation	Principal Activity
Brownstone Ventures (US) Inc.	Delaware, USA	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

d) Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at period end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(ii) Critical accounting judgments

- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at September 30, 2020.

3. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at September 30, 2020 and March 31, 2020:

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***3. EXPLORATION AND EVALUATION ASSETS (continued)**

Six months ended September 30, 2020	Iron Point (i) \$	Other (ii) \$	Total \$
Acquisition Costs			
Balance as at March 31, 2020	988,701	-	988,701
Additions			
Land claim payments and acquisition costs	89,591	-	89,591
Balance as at September 30, 2020	1,078,292	-	1,078,292
Exploration Costs			
Balance as at March 31, 2020	6,638,315	-	6,638,315
Environmental	18,948	-	18,948
Metallurgy	92,039	-	92,039
Other	20,530	-	20,530
Balance as at September 30, 2020	6,769,832	-	6,769,832
Total Exploration and Evaluation Assets			
Balance as at September 30, 2020	7,848,124	-	7,848,124

Year ended March 31, 2020	Iron Point (i) \$	Other (ii) \$	Total \$
Acquisition Costs			
Balance as at March 31, 2019	855,023	16,561	871,584
Additions			
Land claim payments and acquisition costs	133,678	102,046	235,724
Disposals			
Sale of exploration and evaluation assets	-	(118,607)	(118,607)
Balance as at March 31, 2020	988,701	-	988,701
Exploration Costs			
Balance as at March 31, 2019	2,228,345	-	2,228,345
Drilling	3,298,841	-	3,298,841
Environmental	167,569	-	167,569
Exploration	125,989	-	125,989
Geochemistry	74,258	-	74,258
Geological information systems and mapping	15,537	-	15,537
Metallurgy	496,003	-	496,003
Resource estimate	100,782	-	100,782
Reclamation	8,803	-	8,803
Staking	1,797	3,992	5,789
Other	120,391	-	120,391
Sale of exploration and evaluation assets	-	(3,992)	(3,992)
Balance as at March 31, 2020	6,638,315	-	6,638,315
Total Exploration and Evaluation Assets			
Balance as at March 31, 2020	7,627,016	-	7,627,016

(i) Iron Point Project

As at September 30, 2020, the Company owns 730 unpatented lode claims (March 31, 2020 – 730) located in the Iron Point mining district, in Humboldt County, Nevada (USA).

On October 10, 2018, the Company entered into an option agreement with a third party to earn 100% interest in one unpatented Claim (Silver Coin). The Company agreed to the following payments:

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***3. EXPLORATION AND EVALUATION ASSETS (continued)**

Payment due date	Amount \$
Five days from October 10, 2018 (paid)	64,695 (US\$50,000)
October 24, 2019 (paid)	65,660 (US\$50,000)
October 24, 2020 (paid subsequent to September 30, 2020)	68,140 (US\$50,000)
October 24, 2021	204,420 (US\$150,000)

On October 24, 2018, the Company entered into an option agreement with Canarc Resources Corp. to earn 100% interest in four patented Claims (Silver King). The Company agreed to grant a 2% NSR upon commencement of commercial production for minerals from these claims and the following payments:

Payment due date	Amount \$
Five days from October 24, 2018 (paid)	15,725 (US\$12,000)
October 24, 2019 (paid)	15,593 (US\$12,000)
October 24, 2020 (paid subsequent to September 30, 2020)	16,354 (US\$12,000)
October 24, 2021	16,354 (US\$12,000)
October 24, 2022	16,354 (US\$12,000)
October 24, 2023	16,354 (US\$12,000)
October 24, 2024	16,354 (US\$12,000)
October 24, 2025	16,354 (US\$12,000)
October 24, 2026	16,354 (US\$12,000)
October 24, 2027	16,354 (US\$12,000)
October 24, 2028	163,534 (US\$120,000)

The Company has the option of purchasing half of this 2% NSR for \$1,362,800 (US\$1,000,000).

On May 16, 2019, the Company entered into an option agreement (the "Agreement") with Ethos Gold Corp. ("Ethos"), a company with a director in common, whereby Ethos can spend \$5,000,000 over three years, with minimum expenditures of \$1,000,000 in the first year, which was spent prior to the end of the first anniversary of the Agreement, to earn an undivided 50% interest in the precious metals rights at the Iron Point Vanadium Project, Nevada. Once Ethos has incurred \$5,000,000, a 50%/50% joint venture will be formed between the Company and Ethos, specific to the precious metals rights.

During the six months ended September 30, 2020, the Agreement was amended whereby Ethos can spend \$5,000,000 over five years with expenditures in an aggregate amount equal to at least US\$250,000 each year over the term of the Agreement.

(ii) Other Projects

The Company did not dispose of any exploration and evaluation assets during the six months ended September 30, 2020.

During the year ended March 31, 2020, the Company recognized a gain on disposal of certain other Nevada, USA exploration and evaluation assets of \$10,407. The Company received total cash proceeds of \$133,006 and derecognized exploration and evaluation assets at their carrying value of \$122,599.

The Company retained a 1% NSR on the project which can be repurchased by the buyer for US\$500,000.

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2020, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in fiscal 2021

As at September 30, 2020, the Company received \$800,000 in advance of a non-brokered private placement financing completed subsequent to September 30, 2020. See Subsequent Events (Note 10) for further information.

Details of Issues of Common Shares in fiscal 2020

On October 24, 2019, the Company completed a non-brokered private placement financing of 746,268 common shares at a price of \$0.67 per share for gross proceeds of \$500,000.

On May 28, 2019, the Company completed a non-brokered private placement financing of 5,400,000 common shares at a price of \$0.67 per share for gross proceeds of \$3,618,000. The Company paid finder's fees of 270,000 common shares valued at \$180,900 to certain finders in connection with the private placement financing.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, and are subject to a four-month hold period and are generally exercisable for a period of up to five years.

The continuity of share purchase options for the six months ended September 30, 2020 is as follows:

Expiry date	Exercise Price	March 31, 2020	Granted	Exercised	Cancelled/ Expired	September 30, 2020	Options exercisable
January 31, 2021	\$0.35	2,500,000	-	-	-	2,500,000	2,500,000
February 5, 2021	\$0.35	70,000	-	-	-	70,000	70,000
January 31, 2024	\$0.35	5,900,000	-	-	-	5,900,000	5,900,000
June 17, 2024	\$0.63	560,000	-	-	-	560,000	560,000
		9,030,000	-	-	-	9,030,000	9,030,000
Weighted average exercise price \$		0.37	-	-	-	0.37	0.37
Weighted average contractual remaining life (years)		3.01	-	-	-	2.51	2.51

Victory Metals Inc.**Notes to the Condensed Consolidated Interim Financial Statements**

For the six months ended September 30, 2020 and 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***4. SHARE CAPITAL AND RESERVES (continued)**

The continuity of share purchase options for the six months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	March 31, 2019	Granted	Exercised	Cancelled/ Expired	September 30, 2019	Options exercisable
January 31, 2021	\$0.35	2,500,000	-	-	-	2,500,000	2,500,000
February 5, 2021	\$0.35	70,000	-	-	-	70,000	70,000
January 31, 2024	\$0.35	5,900,000	-	-	-	5,900,000	5,900,000
June 17, 2024	\$0.63	-	560,000	-	-	560,000	560,000
		8,470,000	560,000	-	-	9,030,000	9,030,000
Weighted average exercise price \$		0.35	0.63	-	-	0.37	0.37
Weighted average contractual remaining life (years)		3.93	4.72	-	-	3.51	3.51

The Company did not have any warrants outstanding as at September 30, 2020 (March 31, 2020 – Nil).

The weighted average fair value of share purchase options granted during the six months ended September 30, 2020 is \$Nil (September 30, 2019 - \$0.59).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Six months ended September 30,	
	2020	2019
Risk-free interest rate	-	1.34%
Expected option life in years	-	5.0
Expected share price volatility	-	166%
Grant date share price	-	\$0.63
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

5. RELATED PARTY BALANCES AND TRANSACTIONS*Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the six months ended September 30, 2020, key management personnel compensation totaled \$488,233 (six months ended September 30, 2019 - \$1,195,878) comprised of management fees and bonuses of \$436,733 (six months ended September 30, 2019 - \$955,380) paid to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman, \$51,500 (six months ended September 30, 2019 - \$60,000) paid to directors and share-based compensation of \$Nil (six months ended September 30, 2019 - \$180,498) relating to Nil (six months ended September 30, 2019 - 305,000) stock options granted to directors and officers of the Company.

Under the terms of their management agreements, certain officers of the Company are entitled to 18 months of base pay in the event of their agreements being terminated without cause.

Victory Metals Inc.**Notes to the Condensed Consolidated Interim Financial Statements**

For the six months ended September 30, 2020 and 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

As at September 30, 2020, \$72,031 is included in accounts payable and accrued liabilities for amounts owed to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman (March 31, 2020 - \$Nil).

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Six months ended September 30,	
	2020	2019
	\$	\$
Non-cash investing and financing activities:		
Shares issued as finders fees on private placements	-	180,900
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	66,902	201,684
Cash paid for income taxes	-	-
Cash paid for interest	-	-

For the six months ended September 30, 2020, cash paid for income taxes and interest were \$Nil (six months ended September 30, 2019 - \$Nil).

7. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Nevada, USA.

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value.

The Company's financial assets consist of cash and GST receivable. The carrying values of cash, GST receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

*(Expressed in Canadian Dollars Unless Otherwise Noted)***8. FINANCIAL INSTRUMENTS (continued)****(b) Financial Instrument Risk Exposure*****Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash with financial institutions with high credit ratings, thus the credit risk is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has \$164,726 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk**(i) Currency risk**

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at September 30, 2020 would change the Company's loss by \$6,660 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

Victory Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the six months ended September 30, 2020.

10. SUBSEQUENT EVENTS

Private Placement Financings

On October 8, 2020, the Company completed a non-brokered private placement financing of 5,000,000 common shares at a price of \$0.40 per share for gross proceeds of \$2,000,000 of which \$800,000 was received during the six months ended September 30, 2020 (Note 4). The Company paid finder's fees of \$9,600 in connection with the private placement financing.

On October 29, 2020, the Company completed a non-brokered private placement financing of 500,000 common shares at a price of \$0.40 per share for gross proceeds of \$200,000. The Company paid finder's fees of \$12,000 in connection with the private placement financing.

Victory Metals Inc.

Management's Discussion and Analysis

For the six months ended September 30, 2020 and 2019

The following discussion is management's assessment and analysis of the results and financial condition of Victory Metals Inc. (the "Company" or "Victory") and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is November 2, 2020.

The scientific and technical geological content and interpretations contained in this report have been reviewed and approved by the Company's VP of Exploration, Cal Herron, P.Geo., a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). The scientific and technical metallurgical content and interpretations contained in this report have been reviewed and approved by Jeffery L. Woods, B.Sc., SME-QP, MMSA-QP, a Qualified Person as defined by NI 43-101.

Description of Business

The Company was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company owns a 100% interest in the Iron Point Vanadium Project, consisting of 730 unpatented lode claims covering approximately 12,822 acres, located in the Iron Point mining district 22 miles east of Winnemucca, Humboldt County, Nevada (USA) (the "Project" or the "Property"). The Project straddles Interstate 80, has high voltage electric power lines running through the project area and a railroad line passing across the northern property boundary. The Company is well financed to advance the project through resource estimation and initial feasibility study work. In addition to the Property, the Company has the option to acquire interests in up to a further 104 acres contiguous to the Property.

As of the date of this MD&A and as of September 30, 2020, the Company's Board of Directors consisted of the following: Paul Matysek (Executive Chairman), Collin Kettell, Craig Roberts and Doug Forster.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.victorymetals.ca.

Project Summary

Iron Point Vanadium Deposit

Land History

The Project consists of 730 unpatented lode claims covering approximately 12,822 acres. The claim group is in North-Central Nevada in Humboldt County, 35 kilometers east of Winnemucca and centered at UTM Zone 11N geographical coordinates 472,000E, 4,531,000N (Lat 40.935°, Long 117.327°). Winnemucca is the largest town in the area with a population of 7,900. The project has been extensively explored for gold by numerous operators, but Newmont USA Ltd. ("Newmont") conducted drilling specifically for vanadium in 1966 and discovered widespread, low grade mineralization that was not of interest at the time.

The claims are owned by Brownstone Ventures (US) Inc. ("Brownstone"), a wholly owned subsidiary of Victory Metals Inc. (the "Company" or "Victory"). Brownstone holds a 100% interest in the claims.

Victory Metals Inc.

Management's Discussion and Analysis

For the six months ended September 30, 2020 and 2019

On October 10, 2018, Victory, through Brownstone, entered into an option agreement with Ms. Patricia Tintle to acquire her 100% undivided interest in the Silver Coin Claim group which comprises 20.7 acres of unpatented land contiguous to the Company's Iron Point Vanadium Project. Under the terms of the agreement, Victory may exercise the option by making the following payments – 1) US\$50,000 (already paid) within five days of signing, 2) US\$50,000 on the first anniversary of signing (already paid), 3) US\$50,000 on the second anniversary of signing, and 4) US\$150,000 on the third anniversary of signing. Further, Victory has agreed to complete the first three payments (US\$150,000) irrespective of whether the Company elects to complete the option payment (total of US\$300,000). Upon making the final payment, Victory will own 100% of the Silver Coin Claim group with no underlying NSR or outstanding obligations.

On October 24, 2018, Victory entered into an option agreement with Canarc Resource Corp. ("Canarc") on its wholly-owned Silver King Patented claim group, also contiguous to the Company's Iron Point claims. The Silver King property consists of four patented mining claims totalling 83 acres (Silver King, Silver King #1, Silver Queen and Silver Coin Annex Extension). Under the terms of the ten-year agreement, Canarc will receive annual payments of US\$12,000 (the first of which was made on signing) plus an option exercise payment of US\$120,000. Upon exercise of the option, Canarc will retain a 2% NSR royalty on the property of which Victory will have the right to buy back one-half (1%) of the royalty for US\$1,000,000.

On February 5, 2019, Victory entered into a purchase agreement with Nevada Pursuit LLC, a wholly-owned subsidiary of Golden Pursuit Resources Ltd., to acquire a 100% interest in the Prince Claims. The Prince Claims consist of six unpatented lode mining claims (Prince 1-6) totalling 124 acres, contiguous to the Company's Iron Point vanadium project. Under the terms of the agreement, Victory paid a one-time fee of US\$30,000 to have and to hold all of the seller's right, title, and interest in the Prince group of claims. No NSR is applicable to these claims.

Environmental Permitting

The Property is located on Multiple Use BLM (Bureau of Land Management) lands administered by the Winnemucca District Office and is subject to surface management regulations contained in 43 CFR 3809. All mineral-related exploration or mining activities must be permitted either under a Notice (less than 5 acres of disturbance) or a Plan of Operation (exceeds 5 acres of disturbance).

An environmental scoping report dated October 3, 2018, was produced for the Property by consultants with EM Strategies, a consulting group based in Reno, Nevada. As stated in this preliminary scoping study, the Property is a relatively undeveloped site with no fatal flaw issues identified and historic exploration and mining centres existing in the east central portion of the Property. As is typical with almost all properties in Nevada there is the potential for the presence of cultural resources. These resources, if identified as eligible, may be mitigated through a well-defined process such that they would not impede development.

For species that are managed by the Bureau of Land Management or the Nevada Department of Wildlife there are also well-defined mitigation methods to address potential impacts should a species of interest be present. In general, there are systems in place for managing these issues that are well established in Nevada. No significant environmental liabilities have been identified in the environmental assessment. A local rancher leases the grazing rights from the BLM within the project area, but these rights do not impact Victory's mineral rights or planned operations.

Victory established a US\$50,000 reclamation bond with the Nevada State BLM Office and is currently operating its exploration program at the Property under a Notice – case file #NVN097176 – approved by the Winnemucca District BLM Office on September 6, 2018. This Notice and subsequent Addendums approve 76 drill sites disturbing 4.96 acres.

Victory retained EM Strategies in early 2019 to implement the environmental baseline studies necessary for completing an Environmental Assessment ("EA") at Iron Point and thereby obtaining a Plan of Operation ("POO") for the continuing exploration and eventual developmental drilling. Zoological, botanical, and cultural baseline studies were largely completed by the third quarter 2019. EM has completed the reports required for the POO application, and the POO is currently under review by the BLM, with completion anticipated in the third quarter of 2020.

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Project Infrastructure

The Project area straddles US Interstate 80 (I-80) – a major east-west transcontinental highway. From the Iron Point exit on I-80, dirt roads and jeep trails head north and south into all portions of the Property. The Union Pacific Railroad runs around the northern end of the Property. Regularly scheduled air passenger service is available in Reno, Nevada (260 air-kilometers to the southwest), and in Elko, Nevada (130 air-kilometers to the east).

The Project site does not have electrical service but electrical power is readily accessible. The 522-megawatt North Valmy Generating Station, located 15 kilometres east of the Property, feeds readily accessible, high-voltage transmission lines that run along the I-80 corridor and cross the southern end of the project area. There are currently no developed water supply or water rights attached to the project. Wells can be drilled in the future for sustained drilling but exploratory drilling will rely upon trucked water and temporary reservoirs.

Historical Work

To date there has been over 4,704 metres of core and RC drilled historically within the Iron Point Vanadium zone in approximately 35 holes (records are not consistent). Holes were RC or wireline core, or in some cases a combination of both. Full core information is not available for five of the historical holes as the records were lost and no casing remained on site. For these holes the approximate location of the DDH was gathered from historical maps and field observations. The historical drilling that was completed in the area by Newmont was in 1966. No information is available on these holes in the public record for this report. The majority of the holes drilled on the Iron Point Vanadium zone were drilled by Aur Resources in 1997, with the remaining holes being drilled by Chevron and Molycorp. Victory and the Qualified Persons are not aware of any records remaining of the Chevron and Molycorp holes. Aur Resources completed 15 holes totaling 3,817 metres of drilling. Drilling consisted of seven holes of wireline diamond drilling totaling 2,013 metres, and eight holes of RC drilling totalling 1,804 metres. Core and pulps are still available and have been reanalyzed by American Assay Laboratories. Re-logging of these historical holes for geological accuracy is still ongoing at the time of writing this report.

There have been no historic mineral resource or reserve estimates reported for this project that can be documented or reported in any extent.

Project Geology

The project area consists of Lower Paleozoic, Western Assemblage rocks belonging to the Roberts Mountains Allochthon that are unconformably overlain by Tertiary gravels and finally Pliocene basalt. A major range-front fault bounds the property along its eastern margin, and another major fault on the western side juxtaposes Cambrian Prebble Fm. shale against the Western Assemblage lithotypes. According to Willden (1964) the Prebble Fm. is unconformably overlain by an extensive sheet of Golconda Allochthon siliclastic-volcanic units that are exposed immediately west of the project area. These lithotypes are completely absent from the project area yet so close, so the fault separating Prebble from the Western Assemblage at Iron Point must be responsible for a large vertical displacement between these blocks, with the west side having been down-thrown.

The vanadium mineralization occurs within the upper part of the Western Assemblage, within the Ordovician-age Vinini Formation. Vanadium mineralization is reported at the Silver King Mine (USGS MRDS, Garside 1984) within the underlying Comus Fm. limestone, but this mineralization may be strictly supergene and exotic. A Cretaceous quartz diorite sill intruded Western Assemblage units within the central part of the project area and created an extensive contact-metamorphic halo that resulted in skarnification, hornfel alteration, and carbon remobilization. Carlin-type gold mineralization related to a Tertiary-age, low-temperature hydrothermal system produced widespread anomalous Au-As-Sb-Hg mineralization that was the focus of numerous historical exploration efforts throughout the district.

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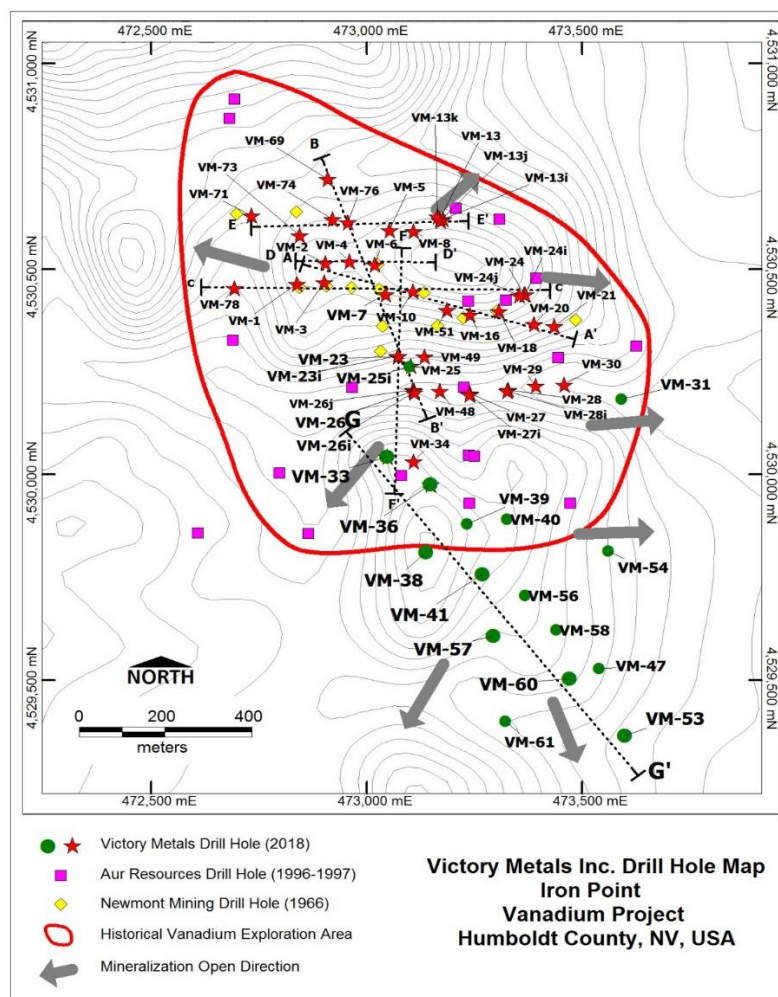
Recent Exploration

Victory's Maiden Drill Campaign

In September 2018, Victory contracted Harris Exploration Drilling Inc. to commence an 8,000-metre program utilizing two RC drills and one core drill. All work was permitted under a Notice approved by the Winnemucca BLM office on August 31, 2018, and secured by a state-wide reclamation bond accepted September 5, 2018. In addition, on January 19, 2019, Victory contracted Fred Anderson Drilling to complete 300 metres of PQ coring for metallurgical testing.

The drill program was focused around an area of vanadium mineralization that was drilled in the 1960s and 1990s by Newmont and Aur Resources, respectively. The historically drilled area is roughly 1,000 metres in diameter with drilled mineralization extending in places from near surface down to a depth of 200 metres. The drill campaign aimed to identify and outline the geology and distribution of vanadium mineralization, which will be incorporated into a maiden resource estimate that will be completed once the campaign is completed and all drill data has been received and analysed. Samples from the RC and core drilling were sent to American Assay Lab, Reno, Nevada.

By April 10, 2019, Victory had finished the maiden drill campaign and released all assay results. The program had 68 RC holes and four diamond drill holes that collected samples for metallurgical testing. Drill hole locations are shown in Figure 1 relative to cross section lines and historical drilling.



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Highlights from the program included:

- 44 metres grading 0.48% V₂O₅ in VM-02
- 27 metres grading 0.56% V₂O₅ in VM-07
- 46 metres grading 0.38% V₂O₅ in VM-18 (from surface)
- 6 metres grading 0.72% V₂O₅ in VM-51
- 21 metres grading 0.54% V₂O₅ (including 6 metres grading 0.67% V₂O₅) in VM-6
- 23 metres grading 0.63% V₂O₅ (including 6 metres grading 0.88% V₂O₅) in VM-23
- 20 metres grading 0.54% V₂O₅ (including 9 metres grading 0.68% V₂O₅) in VM-26
- 18 metres grading 0.53% V₂O₅ (including 2 metres grading 1.14% V₂O₅) in VM-76
- 20 metres grading 0.60% V₂O₅ in VM-9
- 26 metres grading 0.59% V₂O₅ (including 3 metres grading 0.84% V₂O₅) in VM-67
- 33 metres grading 0.48% V₂O₅ in VM-75
- 37 metres grading 0.55% V₂O₅ (including 5 metres grading 0.80% V₂O₅) in VM-26i
- 14 metres grading 0.63% V₂O₅ (including 4 metres grading 1.00% V₂O₅) in VM-26j
- 26 metres grading 0.42% V₂O₅ in VM-33
- 24 metres grading 0.48% V₂O₅ in VM-34
- 26 metres grading 0.46% V₂O₅ (including 3 metres grading 0.83% V₂O₅) in VM-48
- 21 metres grading 0.43% V₂O₅ (including 4 metres grading 0.60% V₂O₅) in VM-25i
- 26 metres grading 0.35% V₂O₅ (including 3 metres grading 0.61% V₂O₅) in VM-41
- 18 metres grading 0.39% V₂O₅ in VM-58
- 27 metres grading 0.46% V₂O₅ in VM-60

These intercepts are contained in two flat-lying higher grade vanadiferous horizons, referred to as the Upper and New High-Grade Zones, which occur within a broader and extensive envelope of vanadium mineralization within the Vinini Formation.

This broader envelope generally starts at surface and extends down to a depth of at least 175 metres, with intercepts from surface including:

- 175 metres grading 0.25% V₂O₅ in hole VM-02 (from surface)
- 139 metres grading 0.28% V₂O₅ in hole VM-07 (from surface)
- 168 metres grading 0.21% V₂O₅ in hole VM-4 (from surface)
- 104 metres grading 0.24% V₂O₅ in hole VM-25 (from surface)
- 151 metres grading 0.21% V₂O₅ in hole VM-76 (from surface)
- 152 metres grading 0.23% V₂O₅ in hole VM-1
- 174 metres grading 0.23% V₂O₅ in hole VM-67
- 162 metres grading 0.22% V₂O₅ in VM-74
- 91 metres grading 0.36% V₂O₅ in hole VM-26i
- 110 metres grading 0.27% V₂O₅ in hole VM-33
- 125 metres grading 0.22% V₂O₅ in VM-34
- 81 metres grading 0.25% V₂O₅ in hole VM-25i
- 99 metres grading 0.22% V₂O₅ in hole VM-58
- 110 metres grading 0.25% V₂O₅ in hole VM-60

The Upper High-Grade Zone was indicated in historical drilling at Iron Point and was the basis for Victory's initial assessment of the project's resource potential. The New High-Grade Zone is newly discovered by this confirmation drilling campaign and has yielded some of the highest-grade mineralization found to date. Some of the holes tested historical Newmont and Aur Resources holes, and a comparison of the intercept results indicates that the current drilling is returning higher-grade vanadium values. Victory believes that this can be attributed to better sample recovery in the Victory RC drilling. Victory drill results show relatively flat-lying mineralized zones with good correlation between holes.

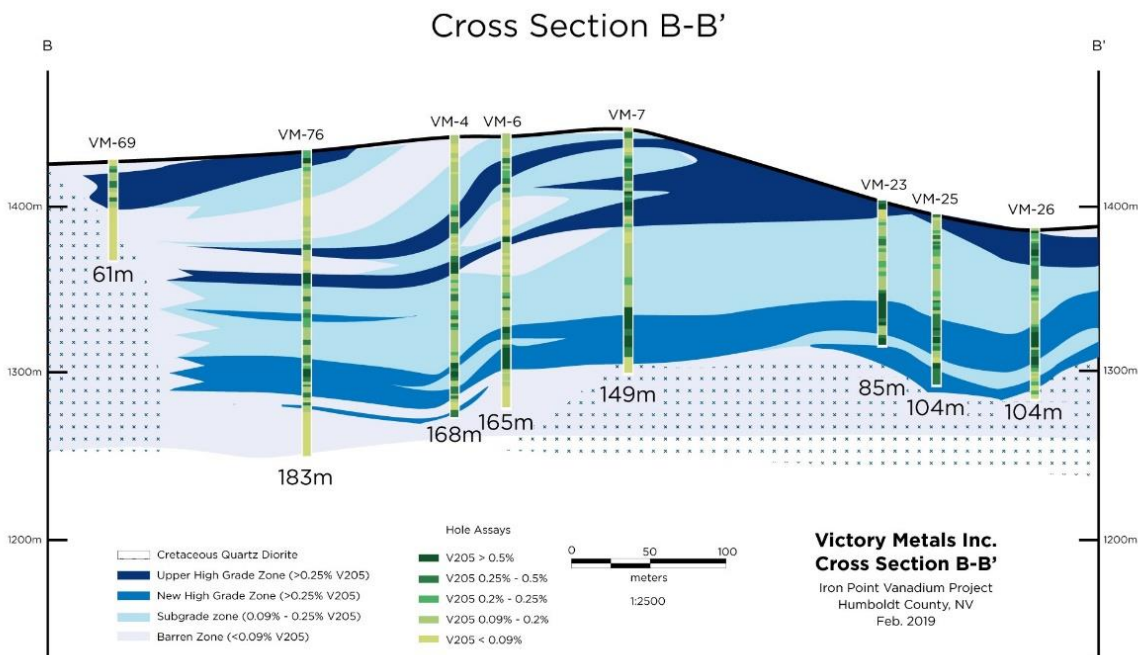
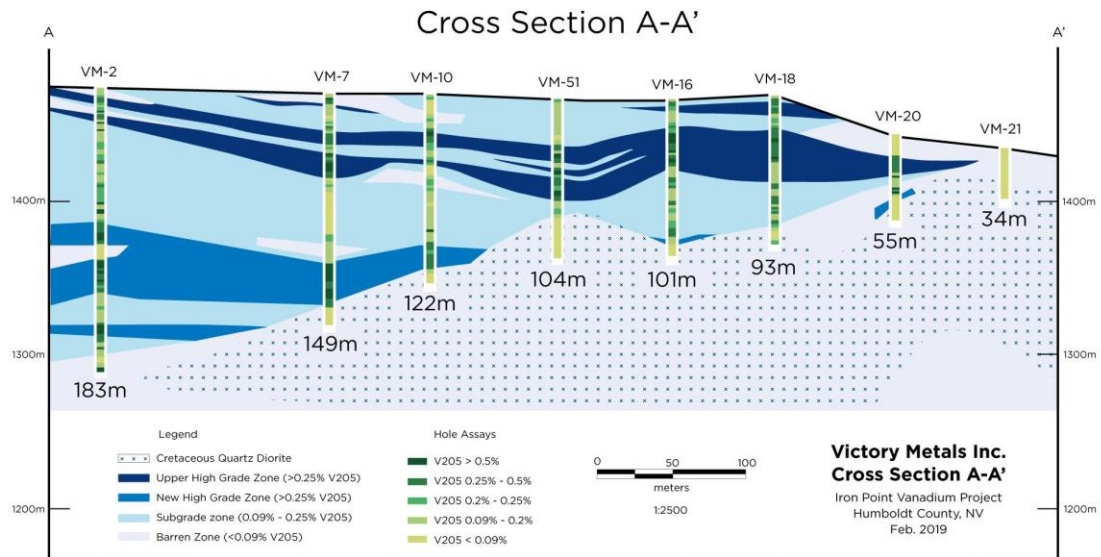
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A high degree of continuity was not apparent from historical drilling and the Company believes this significant improvement in zone correlation can be attributed to the higher sample recoveries and greater depth penetration achieved in the current program. Victory believes that this positive correlation of mineralized zones between holes will considerably facilitate the resource estimation process.

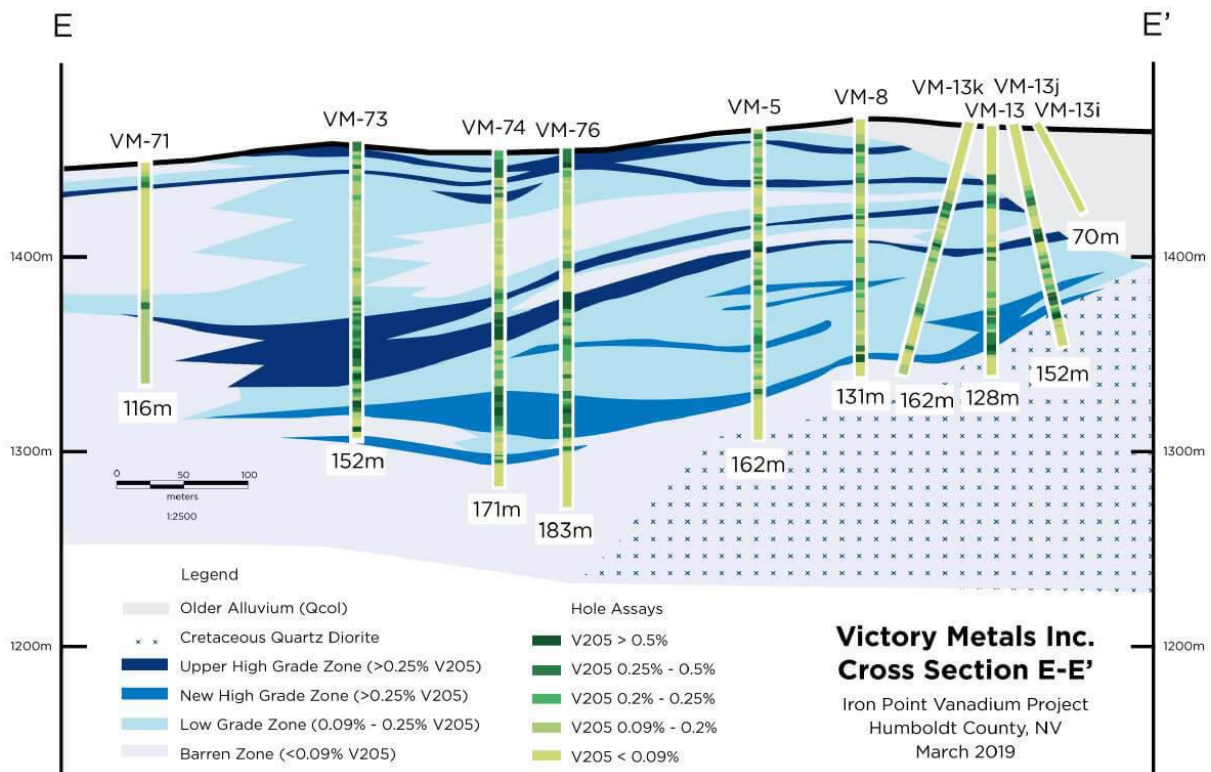
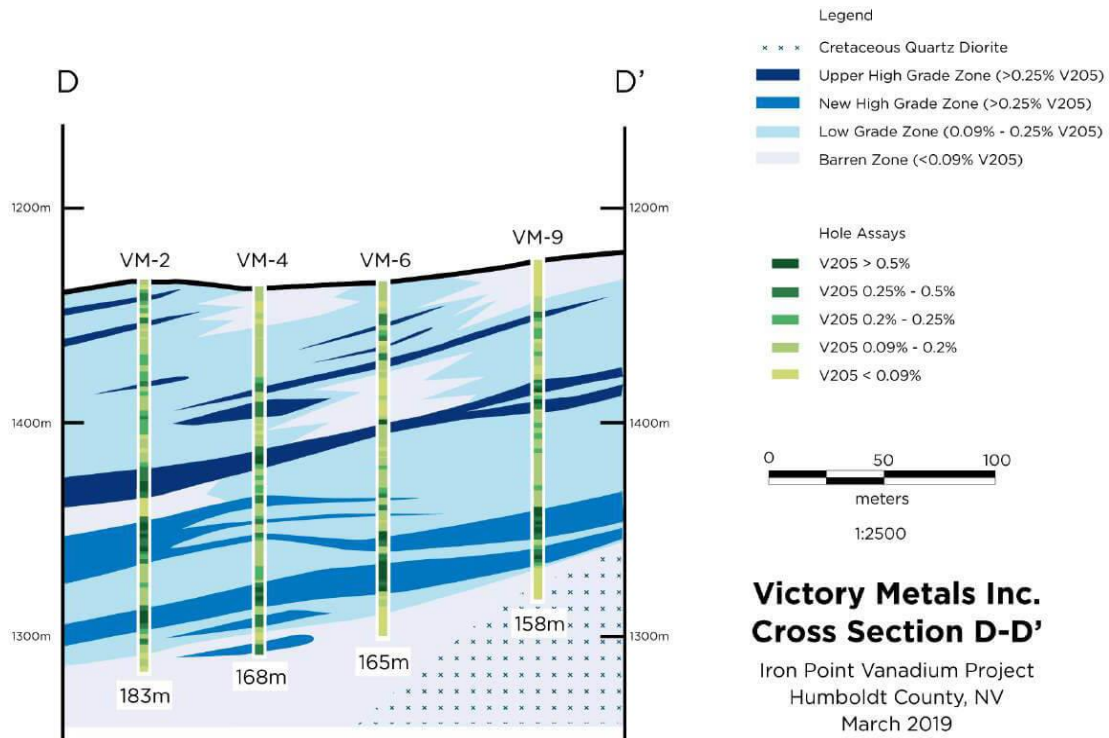
Continuity of mineralization in both the lower grade vanadium envelope and the two high-grade zones continues to be strong as drilling extends throughout the southern portion of the historical vanadium mineralized zone, and steps outside of that zone to the south. As indicated in the six sections (Sections A-A', B-B', D-D', E-E', F-F' and G-G'), the Upper High Grade and New High Grade Zones as well as the broader envelope of vanadium mineralization has now been drill defined over an area exceeding 1,200 metres north-south and approximately 700 metres east-west.



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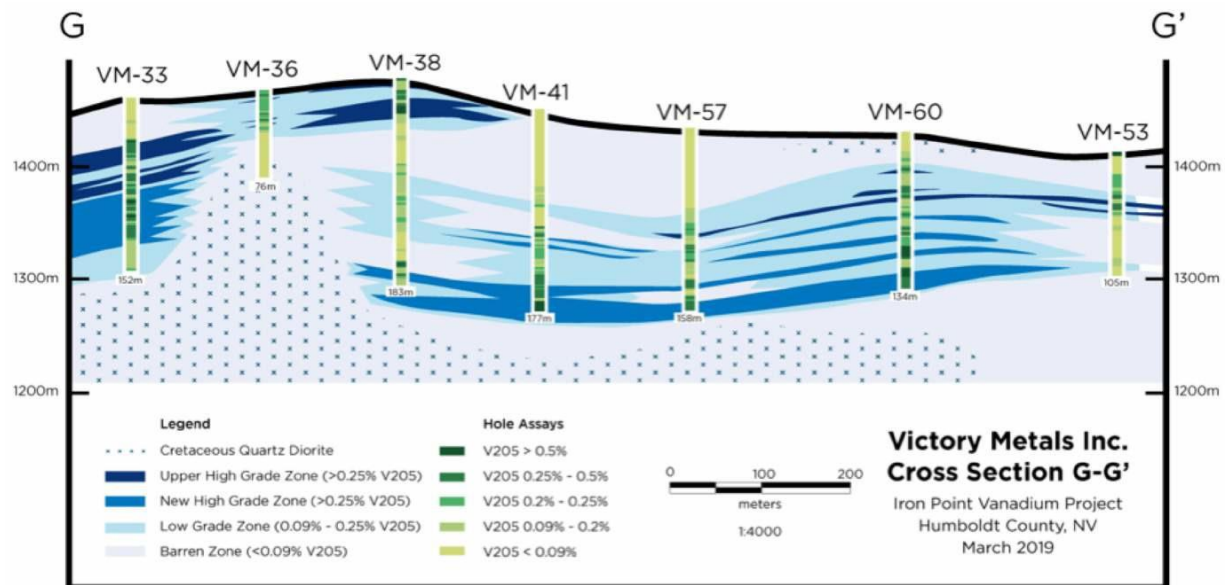
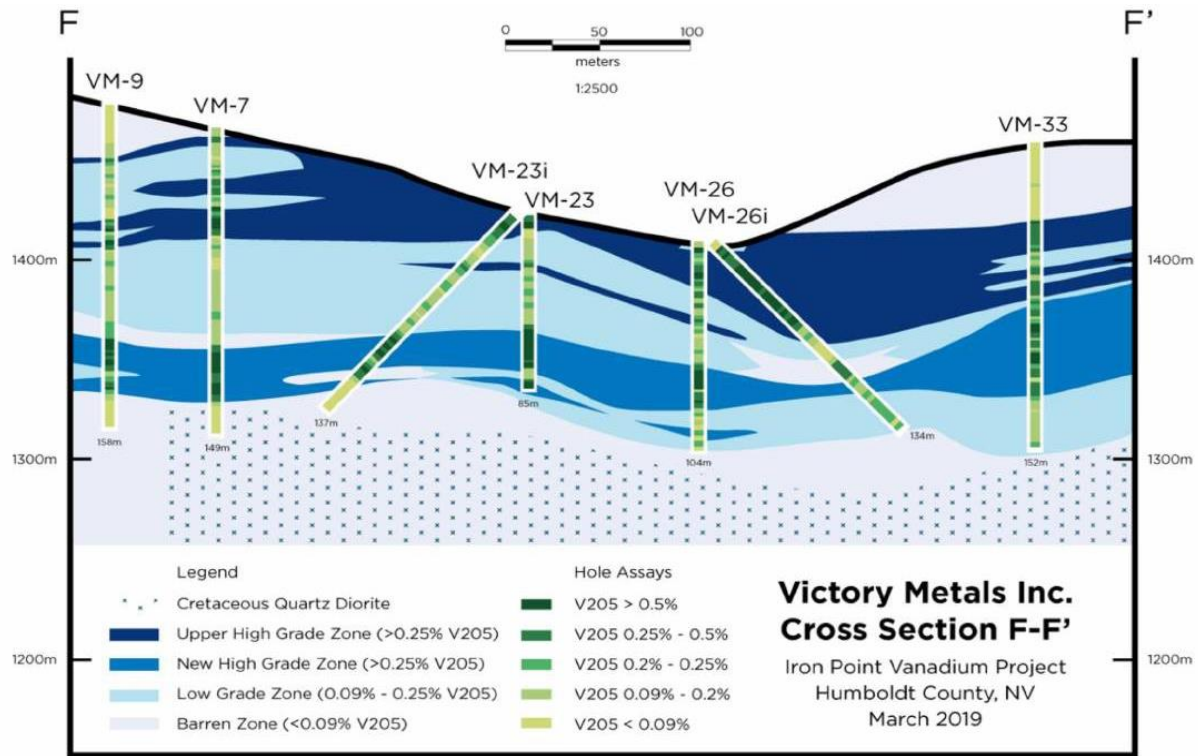
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Based upon the continuing footprint expansion of vanadium mineralization, Victory added additional claims to the Iron Point project bringing the extent of the Property area to an aggregate of 731 claims or 12,842 acres.

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Phase II Drill Campaign

Following the results of the Phase I maiden drilling campaign, Victory retained Mine Development Associates (“MDA”), a highly respected resource estimation and engineering firm based in Sparks, Nevada, to evaluate the overall extent of the vanadium mineralization at Iron Point and plan the maiden resource estimation work. With this objective in mind, MDA developed the Phase II drill program of 53 holes (44 RC and 9 core holes) based on preliminary geostatistical analysis of the Phase I results, thus ensuring sufficient drill spacing for a resource estimate predominantly in the measured and indicated category. The drill pattern covered a north-westerly trending zone measuring 1,800 metres long by 550 meters wide. Hole depths ranged from 130 meters to 280 meters with angles ranging from -45° to vertical. Most of the holes were concentrated within the southern half of the property, where the previous drill holes were more widely spaced and largely failed to fully penetrate both mineralized horizons. The program was designed to infill zones of vanadium mineralization defined in the Company’s Phase I maiden drill campaign, as well as to test lateral and downward extensions of these zones. The program also provided sample material for the next phase of metallurgical test work, utilizing material from the 9 core holes distributed over the project area in order to provide representative metallurgical samples of the vanadium mineralization.

On May 27, 2019, Victory commenced the Phase II drill program to further define vanadium mineralization at Iron Point. Two RC drills, one buggy-mounted and the other track-mounted, operated by New Frontier Drilling were engaged in perimeter definition drilling. The core drill was operated by National Drilling and produced PQ-size core that provided samples for metallurgical testing and also served as QAQC checks on the RC drilling. The RC drilling operated on a dayshift basis, while the core drill utilized 24-hour drilling. The holes were collared from existing historical drill roads, with several holes being drilled at an angle, allowing for minimal surface disturbance, importantly enabling Victory to complete the program on its existing state-bonded Notice. The Phase II program was completed in September, 2019 with 53 holes completed for a total of 9,745m drilled, comprised of 8,070m in 42 RC holes and 1,675m in 11 diamond holes (see map in Figure 3).

Victory announced assay results from the first set of Phase II holes on February 18, 2020. This release included thirteen reverse circulation and one HQ diamond drill holes that targeted the central portion of the Iron Point vanadium zone (Figure 2). The 14 drill holes consist of both vertical and angle holes. Eight of these holes are shown in two drill sections oriented in a northwest and northeast direction as shown below. Similar to the results achieved during the Phase I program last year, all of these holes demonstrate good lateral continuity and confirm the near surface, flat-lying nature of vanadium mineralization at the deposit scale. Furthermore, these Phase II holes extended mineralization to greater depths in areas where shallow Phase I drilling failed to fully penetrate the entire vanadium horizons.

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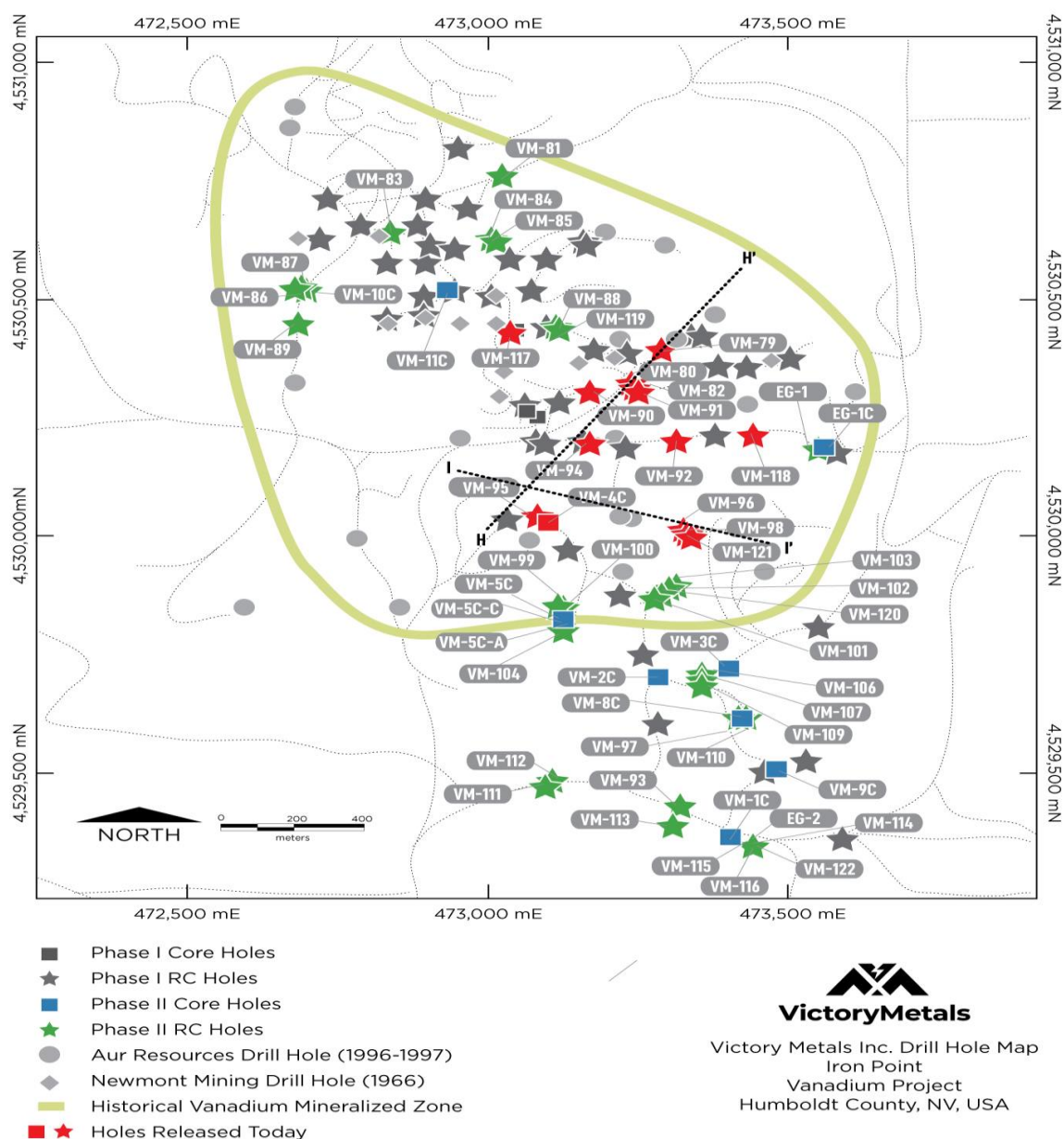


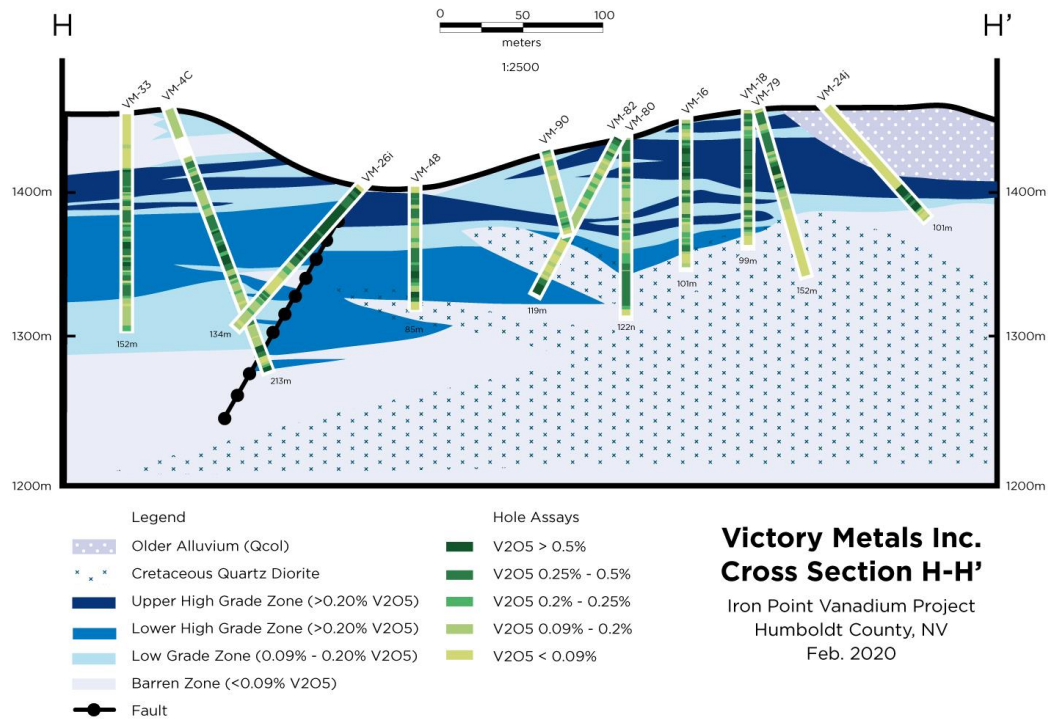
Figure 2. Location of Phase II drill holes released on February 18, 2020.

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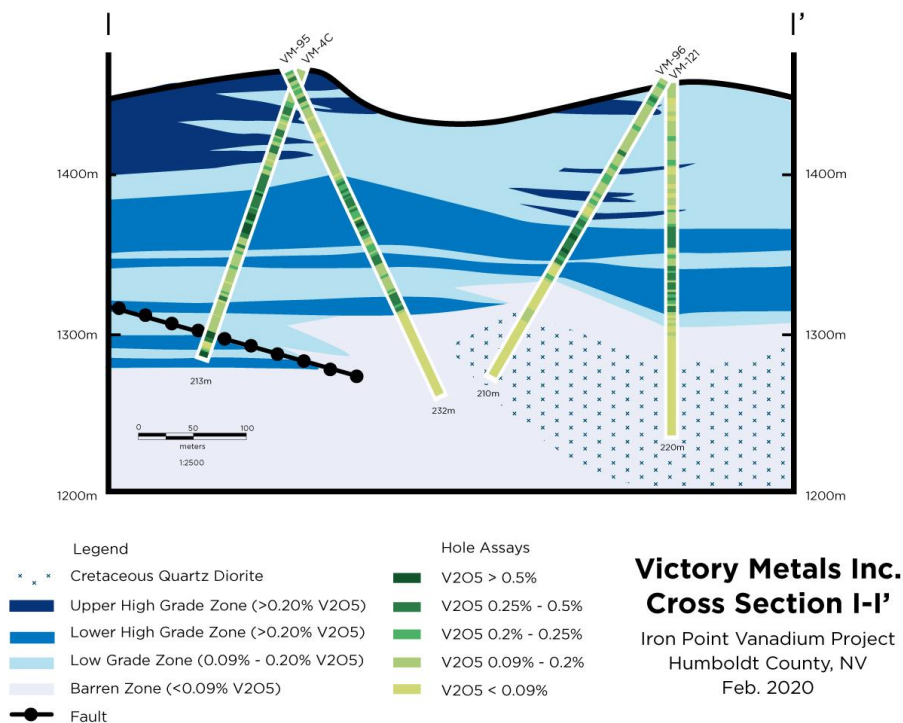
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Cross Section H-H'



Cross Section I-I'



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High-grade results from this first set of 14 holes include (estimated true thicknesses, see note above Table 1 for definition of aggregate length):

- 52.4 meters grading 0.47% V_2O_5 (including 5.8 meters grading 1.2% V_2O_5) in VM-4c
- 37.4 meters grading 0.40% V_2O_5 (including 4.7 meters grading 0.8% V_2O_5) in VM-79
- 9.3 meters grading 0.41% V_2O_5 in VM-117

As observed in the Phase I drilling these latest intercepts are consistent with two flat-lying higher grade vanadiferous horizons, referred to as the Upper High Grade and New High Grade Zones, which occur within a broader and extensive envelope of lower grade mineralization extending from the surface down to a depth of at least 175 meters. Intercepts of this broader, low grade envelope include (estimated true thicknesses, see the note above Table 1 for definition of Overall Length):

- 156.5 meters grading 0.27% V_2O_5 in VM-4c
 - 150.3 meters grading 0.21% V_2O_5 in hole VM-95
 - 110.9 meters grading 0.21% V_2O_5 in hole VM-96
- Lateral continuity of mineralization in both the lower grade vanadium envelope and the two high-grade zones continues to be consistently high.
 - Sections H-H' and I-I' demonstrate vanadium mineralization remains open to the west and east.
 - HQ diamond drill hole VM-4c was positioned within this central group to verify earlier Phase I RC drill results. Nearby Phase I RC holes VM-33 and VM-34 have a combined overall average of 97 meters grading 0.27% V_2O_5 , while the overall intercept for VM-4c is 157 meters grading 0.27% V_2O_5 . Based on these results, diamond drilling has confirmed similar V_2O_5 grades as returned from historical RC drilling and no appreciable up-grading or down-grading of V_2O_5 grades is apparent between the two drilling methods.

Assay results from Victory's second set of Phase II holes were released on March 16, 2020. This release included 27 holes (21 reverse circulation and 6 PQ diamond drill holes) targeting the southern portion of the Iron Point mineralized vanadium zone. Collar locations are shown in Figure 3. Seventeen of these holes are shown in two cross sections oriented in northwest striking (Section L-L) and north striking (Section M-M) directions. This area is below the southern portion of the Historical Vanadium Mineralized Zone and encompasses a rectangular area roughly 800m NW-SE and 300m wide. The deeper Phase II holes drilled within this area significantly expanded the extent of known vanadium mineralization at Iron Point to an area measuring 1500m in a NW-SE direction and 300m to 500m wide. Mineralization remains open to the west, east, south, and to depth in several places.

High-grade drill results, reported as estimated true thicknesses comprised of aggregate intercept lengths (see note above Table 1 for definition of aggregate length), include:

- 30.0 meters grading 0.42% V_2O_5 (including 4.9 meters grading 0.64% V_2O_5) in VM-106
- 29.0 meters grading 0.46% V_2O_5 (including 6.1 meters grading 0.70% V_2O_5) in VM-114
- 17.5 meters grading 0.54% V_2O_5 (including 8.1 meters grading 0.71% V_2O_5) in VM-122
- 61.0 meters grading 0.47% V_2O_5 (including 10.7 meters grading 0.90% V_2O_5) in VM-1C
- 30.5 meters grading 0.50% V_2O_5 (including 9.3 meters grading 0.78% V_2O_5) in VM-3C
- 27.0 meters grading 0.53% V_2O_5 (including 15.0 meters grading 0.61% V_2O_5) in VM-9C
- 35.1 meters grading 0.41% V_2O_5 (including 7.6 meters grading 0.78% V_2O_5) in EG-2

Consistent with the earlier drill results, these high grade zones occur within a broader, extensive envelope of lower grade mineralization. Intercepts of this broader envelope (reported as estimated true thicknesses, see the note above Table 1 for definition of Overall Length) include:

- 175.3 meters grading 0.26% V_2O_5 in hole VM-1C
- 173.2 meters grading 0.28% V_2O_5 in hole VM-8C
- 167.7 meters grading 0.24% V_2O_5 in VM-114

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Most of the Phase II holes tested a large area south of the Historical Vanadium Mineralized Zone, where shallow Phase I drilling did not fully penetrate the entire mineralized sequence. The greater depth and higher hole density of this Phase II drilling program significantly extended vanadium mineralization at depth, thus increasing the overall tonnage potential and confidence in the mineralization in advance of a maiden resource estimate. Other important results from this program are summarized below:

- Thicker zones of higher-grade mineralization are clustered around core hole VM-8C within an area measuring 300m in a N-S direction and 130m wide, in places extending from the surface down to a maximum depth of 170m. The shallow nature of this relatively uniform and vertically continuous mineralization provides Victory with an attractive open pit target.
- Mineralization remains open to the west, east, and south.
- The PQ diamond drill holes allow for a better comparison of vanadium mineralization recovery in core holes versus recovery in surrounding RC holes. Across the deposit, the vanadium grade of samples recovered from core holes is equal to or slightly greater than samples recovered from adjacent RC drilling when comparing Overall Length mineralization. The intercept in core hole VM-5C (181m @ 0.157% V₂O₅) is slightly higher than the 181m @ 0.143% V₂O₅ in twin RC hole VM-38. However, when compared to the adjacent angle RC holes, the 196m @ 0.155% V₂O₅ in VM-5C is identical to the 209m @ 0.155% V₂O₅ returned in VM-100+VM-104. Similarly, the Overall Length intercept in core hole VM-8C (100m @ 0.222% V₂O₅) is only slightly higher than the 99m @ 0.218% V₂O₅ returned in twin RC hole VM-58, while the combined intercepts in adjacent angle RC holes VM-97 and VM-110 (106m @ 0.191% V₂O₅) is slightly lower. Other comparisons follow:
 - Core hole VM-2C (103m @ 0.244% V₂O₅) is clearly higher than angle RC hole VM-109 (103m @ 0.197% V₂O₅).
 - Core hole VM-3C (100m @ 0.234% V₂O₅) is slightly higher than angle RC hole VM-106 (91m @ 0.217% V₂O₅).
 - Core hole VM-9C (120m @ 0.274% V₂O₅) is somewhat higher than RC hole VM-60 (116m @ 0.239% V₂O₅).

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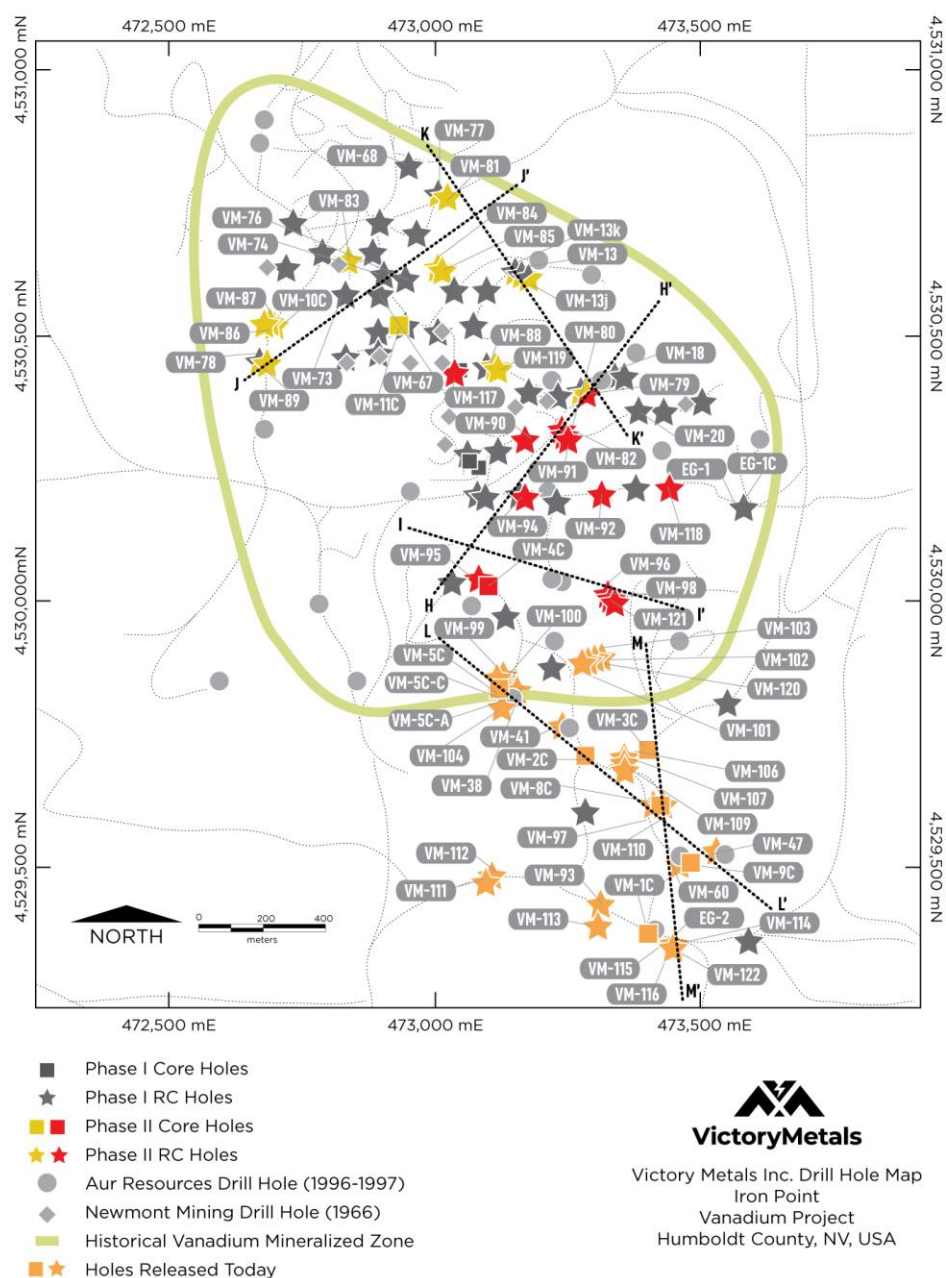


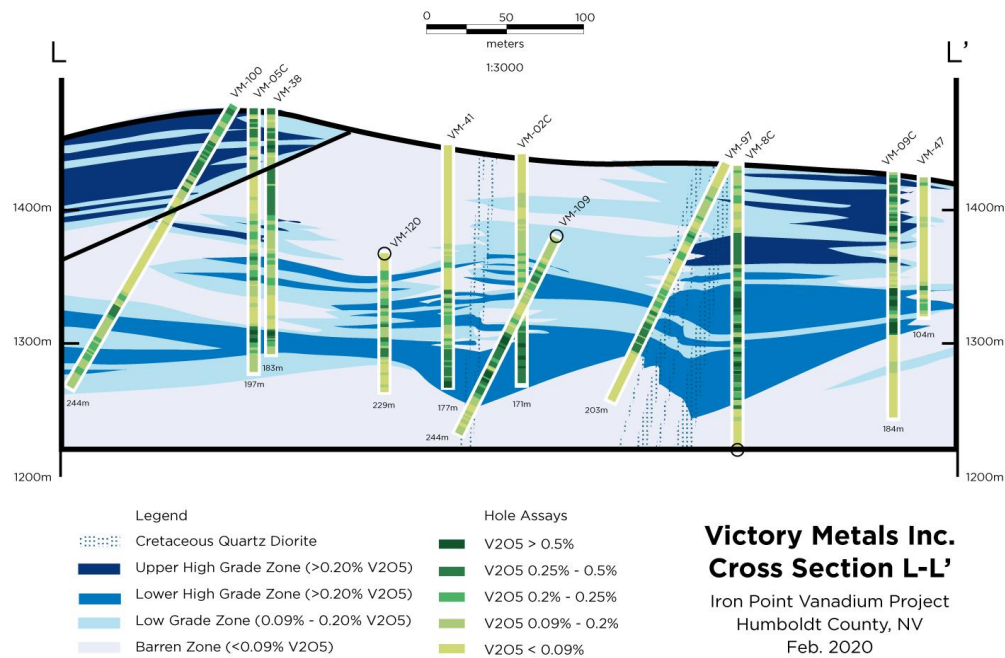
Figure 3. Victory's final set of confirmation RC and diamond drill holes from Phase II are shown by orange stars and squares, in relation to the already released Phase II drill holes in red and yellow. Phase I drilling (grey stars and squares) are shown from 2018 program, as well as historical Newmont and Aur Resource (USA) Inc. drill holes (grey circles and diamonds)

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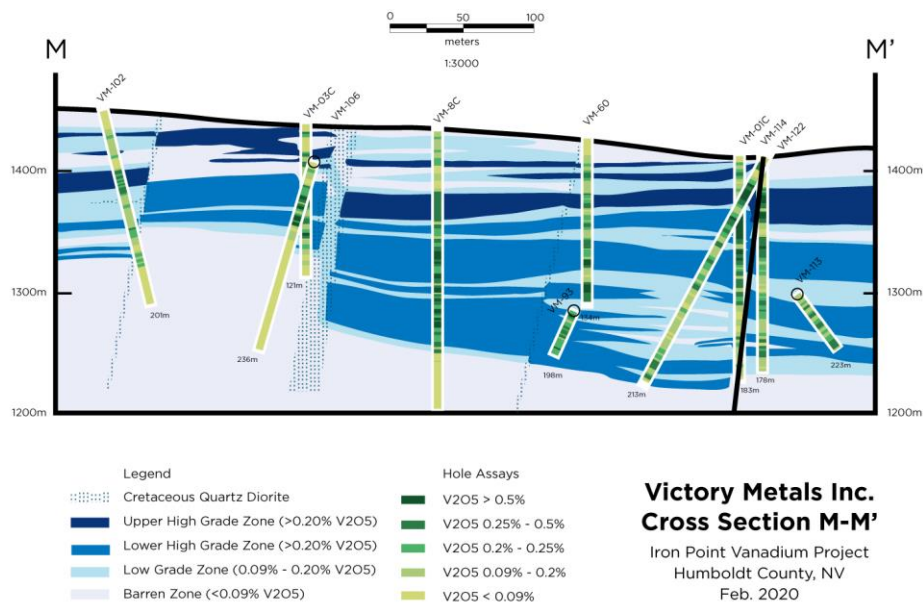
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Cross Section L-L'



Cross section L-L' showing distribution of vanadium mineralization in relation to the current geologic interpretation.

Cross Section M-M'



Cross section M-M' showing distribution of vanadium mineralization in relation to the current geologic interpretation.

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Phase II Drill Results

Assay results for the Phase II drilling program are contained in Table 2 below, with intercepts being reported in % V₂O₅. Intercept lengths have been reduced to true vertical intercepts and are deemed to be true thickness given the flat nature of the mineralized zones being tested. Intercept lengths are reported as an Overall Length, which includes all contiguous assay intervals within the low-grade vanadium blanket zone (at a 0.09% V₂O₅ minimum grade), while higher grade individual zone intercepts reported as aggregate lengths are comprised of samples grading 0.20% V₂O₅ and greater.

Table 1. Vanadium Intercepts Reported for Victory Metals' Phase II Drilling Program at Iron Point.

Hole #	Zone		From (m)	To (m)	Interval (m)	% V ₂ O ₅	% V
VM 79 [^]	Overall*		7.0	60.7	53.7	0.33	0.19
	Upper Zone		7.0	60.7	37.4	0.4	0.23
		Includes	44.4	49.0	4.7	0.8	0.45
VM 80	Overall*		1.5	94.5	93.0	0.2	0.11
	Upper Zone		1.5	68.6	27.4	0.28	0.16
	New Zone		79.3	94.5	12.2	0.29	0.16
VM 82 [^]	Overall*		0	103.0	103.0	0.17	0.10
	Upper Zone		0	39.6	19.8	0.26	0.15
	New Zone		67.3	103.0	10.6	0.36	0.20
VM 90 [^]	Overall*		0	87.4	87.4	0.21	0.12
	Upper Zone		0	54.4	24.3	0.23	0.13
	New Zone		64.5	87.4	18.6	0.38	0.21
VM 95 [^]	Overall*		0	150.3	150.3	0.21	0.12
	Upper Zone		0	22.2	10.5	0.26	0.15
	New Zone		62.7	149.0	57.5	0.3	0.17
VM 96 [^]	Overall*		0	110.9	110.9	0.21	0.12
	Upper Zone		11.9	84.5	22.4	0.23	0.13
	New Zone		89.8	110.9	21.1	0.37	0.21
VM 121	Overall*		30.5	143.3	112.8	0.18	0.10
	Upper Zone		35.1	80.8	4.6	0.21	0.12
	New Zone		89.9	143.3	35.1	0.3	0.17
VM 4c [^]	Overall*		22.5	179.1	156.5	0.27	0.15
	Upper Zone		22.5	54.7	19.2	0.28	0.16
	New Zone		71.9	179.1	52.4	0.47	0.26
		Includes	101.0	106.8	5.8	1.2	0.67
VM 91 [^]	Overall*		0	60.7	60.7	0.20	0.11
	Upper Zone		0	37.4	22.2	0.33	0.19
	New Zone		57.2	58.4	1.2	0.23	0.13
VM 92 [^]	Overall*		6.2	69.9	63.7	0.17	0.10
	Upper Zone		6.2	48.7	10.0	0.27	0.15
	New Zone		51.2	66.2	15.0	0.29	0.16
VM 94 [^]	Overall*		3.3	128.2	124.9	0.19	0.11
	Upper Zone		3.3	42.7	19.7	0.25	0.14
	New Zone		63.6	128.2	31.8	0.31	0.17
VM 98 [^]	Overall*		13.4	126.7	113.3	0.18	0.10
	Upper Zone		19.5	78.0	15.8	0.22	0.12
	New Zone		81.6	126.7	24.4	0.25	0.14
VM 117 [^]	Overall*		0	107.4	107.4	0.21	0.12
	Upper Zone		0	65.4	39.7	0.29	0.16
	New Zone		98.1	107.4	9.3	0.41	0.23

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VM 118^	Overall*		42.2	77.9	35.6	0.14	0.08
	New Zone		43.6	77.9	2.6	0.27	0.15
VM 93^	Overall*		19.6	169.9	150.3	0.19	0.11
	Upper Zone		31.4	84.9	11.8	0.21	0.12
	New Zone		94.1	169.9	54.9	0.25	0.14
VM 97^	Overall*		20.9	142.5	121.6	0.15	0.08
	Upper Zone		57.9	75.0	9.2	0.23	0.13
	New Zone		99.4	139.5	23.2	0.28	0.16
VM 100^	Overall*		0.0	208.3	208.3	0.16	0.09
	Upper Zone		0.0	87.2	53.4	0.28	0.15
	New Zone		154.9	195.3	18.2	0.24	0.13
VM 102^	Overall*		16.0	125.5	109.5	0.16	0.09
	Upper Zone		20.9	66.4	18.5	0.24	0.13
	New Zone		93.5	124.3	11.1	0.24	0.13
VM 106^	Overall*		0.0	91.3	91.3	0.22	0.12
	Upper Zone		2.5	37.0	3.7	0.22	0.12
	New Zone		46.9	82.6	30.0	0.42	0.23
		Includes	62.9	67.8	4.9	0.64	0.36
VM 109^	Overall*		0.0	185.9	185.9	0.19	0.11
	Upper Zone		14.2	58.1	10.3	0.22	0.12
	New Zone		82.6	179.5	47.8	0.32	0.18
VM 113^	Overall*		32.9	165.4	132.5	0.17	0.10
	Upper Zone		53.2	62.3	2.3	0.21	0.11
	New Zone		91.8	164.3	26.1	0.25	0.14
VM 114	Overall*		6.1	173.8	167.7	0.24	0.13
	Upper Zone		6.1	54.9	29.0	0.46	0.26
		Includes	33.5	39.6	6.1	0.70	0.39
	New Zone		67.1	164.6	51.8	0.28	0.16
VM 120^	Overall*		0.0	163.6	163.6	0.12	0.07
	Upper Zone		0.0	27.5	12.5	0.23	0.13
	New Zone		101.1	162.3	32.5	0.24	0.14
VM 122^	Overall*		14.8	188.4	173.6	0.21	0.12
	Upper Zone		17.5	36.3	17.5	0.54	0.30
		Includes	25.6	33.6	8.1	0.71	0.40
	New Zone		39.0	185.7	52.5	0.27	0.15
VM 1C	Overall*		6.1	181.4	175.3	0.26	0.15
	Upper Zone		6.1	41.2	13.7	0.29	0.16
	New Zone		44.2	123.5	61.0	0.47	0.26
		Includes	54.9	65.5	10.7	0.90	0.50
VM 2C	Overall*		64.4	167.6	103.2	0.24	0.14
	New Zone		75.6	167.6	53.1	0.35	0.19
VM 3C	Overall*		4.0	103.7	99.7	0.23	0.13
	Upper Zone		4.0	32.6	7.8	0.27	0.15
	New Zone		44.2	89.9	30.5	0.50	0.28
		Includes	56.7	66.0	9.3	0.78	0.44
VM 5C	Overall*		0.0	196.5	196.5	0.16	0.09
	Upper Zone		0.0	98.8	20.6	0.30	0.17
	New Zone		109.5	184.0	30.0	0.32	0.18
VM 8C	Overall*		6.1	179.3	173.2	0.28	0.16
	Upper Zone		6.1	74.4	28.4	0.34	0.19

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	New Zone		79.9	176.5	79.9	0.37	0.21
VM 9C	Overall*		0.0	120.4	120.4	0.27	0.15
	Upper Zone		4.3	69.5	37.2	0.31	0.17
	New Zone		87.7	119.2	27.0	0.53	0.28
		Includes	87.7	102.7	15.0	0.61	0.34
VM 99^	Overall*		0.0	190.3	190.3	0.12	0.07
	Upper Zone		0.0	7.7	7.7	0.26	0.14
	New Zone		132.4	186.4	12.9	0.32	0.18
VM 101^	Overall*		0.0	184.0	184.0	0.13	0.08
	Upper Zone		5.7	9.9	4.2	0.21	0.12
	New Zone		100.5	179.7	45.3	0.30	0.17
VM 103^	Overall*		13.2	109.3	96.1	0.16	0.09
	Upper Zone		24.0	70.9	21.6	0.25	0.14
VM 104^	Overall*		0.0	210.9	210.9	0.15	0.08
	Upper Zone		0.0	51.4	43.7	0.29	0.16
	New Zone		165.9	181.3	11.6	0.37	0.21
VM 107^	Overall*		2.5	80.9	78.5	0.14	0.08
	Upper Zone		39.2	77.3	4.9	0.21	0.12
	New Zone		100.6	101.8	1.2	0.26	0.14
VM 110^	Overall*		2.3	92.3	89.9	0.25	0.14
	Upper Zone		24.5	35.0	9.3	0.28	0.16
	New Zone		38.5	82.9	26.9	0.49	0.27
		Includes	40.9	50.2	9.3	0.71	0.40
VM 111	Overall*		1.5	183.2	181.6	0.15	0.08
	Upper Zone		22.5	52.5	27.0	0.25	0.14
	New Zone		172.6	174.1	1.5	0.24	0.13
VM 112^	Overall*		1.3	205.4	204.1	0.08	0.04
	Upper Zone		16.9	37.7	10.4	0.25	0.14
	New Zone		183.3	184.6	1.3	0.23	0.13
VM 115^	Overall*		0.0	98.7	98.7	0.30	0.17
	Upper Zone		6.2	38.2	28.4	0.47	0.26
		Includes	6.2	14.8	8.6	0.70	0.39
	New Zone		58.0	96.2	24.7	0.35	0.19
VM 116^	Overall*		2.3	94.3	92.0	0.17	0.09
	Upper Zone		11.5	35.7	16.1	0.32	0.18
	New Zone		57.5	93.2	10.4	0.36	0.20
EG 2	Overall*		1.5	170.7	169.2	0.23	0.13
	Upper Zone		1.5	57.9	35.1	0.41	0.23
		Includes	48.8	56.4	7.6	0.78	0.44
	New Zone		67.1	166.2	61.0	0.24	0.14
* Overall values represent contiguous averages that include V2O5 values ranging from 0% to 1.71%							
* Hole reported in previous release							
^ Denotes angle hole							

In summary, the Phase II drilling returned surprisingly high-grade results in the southern portion of the vanadium rich target area. Most notable is a shallow and relatively uniform zone of vanadium mineralization that is a prime candidate for initial developmental focus. Furthermore, the increased drill density in the southern portion of the deposit has revealed larger and higher-grade zones of vanadium mineralization than previously identified from Phase I drilling. The Phase II drill program sought to close-off the lateral and vertical extent of mineralization; it instead confirmed that the deposit remains open in most directions and to depth.

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Preliminary Economic Assessment

With Phase II drilling completed, MDA initiated a maiden resource estimate which will form the basis for a planned Preliminary Economic Assessment ("PEA") study. In September, 2020, Victory retained Wood Canada Ltd of Vancouver, BC to identify the initial direction for mining and processing studies to produce the Preliminary Economic Assessment.

Metallurgy

Phase I Testing

A total of 197 RC drill reject samples were delivered to McClelland Laboratories of Sparks, Nevada, for sample preparation, assaying, and compositing.

A Master Composite sample was constructed using 197 drill cuttings interval samples that best represented both the spatial and stratigraphic distribution of mineralized zones throughout the Iron Point Project as described in the table and shown in map. Specifically, the Master Composite is made up of cuttings from drill intervals ranging between a depth of 1.5 metres to 164.6 metres. Intervals incorporated into the composite had a minimum grade of 0.17% V₂O₅, a maximum grade of 1.14% V₂O₅, a median grade of 0.38% V₂O₅, and a mean (unweighted) grade of 0.34% V₂O₅ from triplicate analysis.

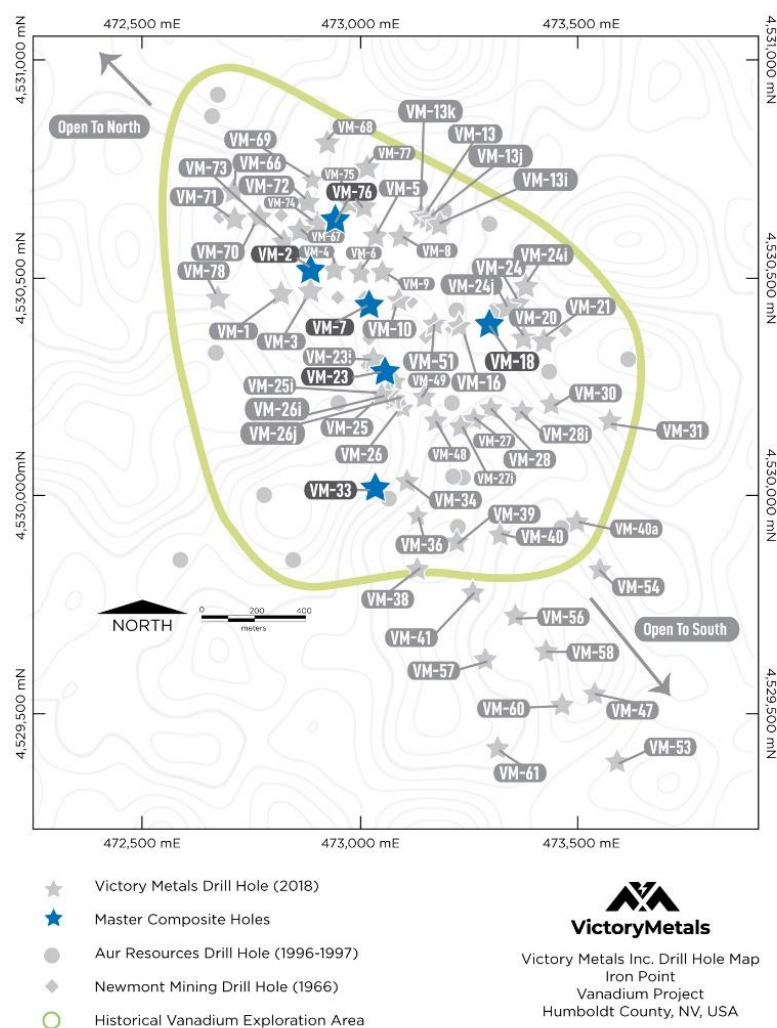
Table 1: RC Drill Cutting Intervals used in the Master Composite.

RC Hole ID	Number	Range of Depth m		V ₂ O ₅ %		
		Min	Max	Min	Max	Mean
VM-2	36	9.1	164.6	0.21	0.79	0.45
VM-7	39	6.1	137.2	0.20	0.79	0.46
VM-18	31	4.6	65.5	0.21	0.64	0.38
VM-23	18	1.5	85.3	0.25	0.99	0.61
VM-33	44	42.7	128.0	0.21	0.71	0.35
VM-76	29	6.1	146.3	0.17	1.14	0.42

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After a review of published work and some early test work on drill core samples, a Design of Experiments program (DOE) was initiated as a scoping level trial using four primary leaching factors, namely: leach temperature, slurry solids density, hydrofluoric acid dosage and sulfuric acid dosage. DOE methods are used to determine the effects of several factors at once and are statistically analyzed to determine the effects of each factor, i.e. acid dosage or temperature, also the interaction of two or more factors on the system, i.e. temperature and slurry solids density.

Owing to the number of factors, a two-level factorial design was used for the initial runs. Sixteen tests were run using different combinations of high and low values for each of the factors. All tests were run at atmospheric pressure with a leach time of eight hours. Initial factor high and low levels were selected based on similar unit operations currently used in the industry, i.e. slurry solids density 20 to 40 percent, which is common in flotation concentrate products and gold leach circuits, respectively. Owing to the atmospheric leaching process, maximum temperature considered was 90 degrees centigrade. Intermittent samples were taken at two, four, and six hours and each solution analyzed for pH, oxidation-reduction potential (ORP), and acid concentration. For each test make-up, water and reagents were added as required to maintain the DOE factor levels. At the termination of the test, samples were filtered with dried solids and leach solutions submitted for analyses. Statistical analysis of the data was done using Stat-Ease's Design Expert and SAS' JMP statistical analysis software.

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Table 2: DOE Parameter Matrix with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 16 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-1	Lo	Lo	Hi	Lo	8	47.3	115
DOE-2	Lo	Lo	Lo	Hi	8	48.9	189
DOE-3	Lo	Hi	Lo	Lo	8	21.3	103
DOE-4	Lo	Hi	Hi	Hi	8	53.5	170
DOE-5	Lo	Lo	Lo	Lo	8	33.7	122
DOE-6	Lo	Hi	Hi	Lo	8	33.0	99
DOE-7	Lo	Hi	Lo	Hi	8	44.0	102
DOE-8	Lo	Lo	Hi	Hi	8	65.7	N/A*
DOE-9	Hi	Hi	Hi	Hi	8	90.6	142
DOE-10	Hi	Lo	Lo	Hi	8	89.0	103
DOE-11	Hi	Hi	Lo	Lo	8	41.8	118
DOE-12	Hi	Lo	Hi	Lo	8	92.8	88
DOE-13	Hi	Hi	Hi	Lo	8	66.9	127
DOE-14	Hi	Lo	Lo	Lo	8	71.5	112
DOE-15	Hi	Hi	Lo	Hi	8	75.3	127
DOE-16	Hi	Lo	Hi	Hi	8	94.3	101

**Conditions for DOE-8 are being re-run owing to anomalies with the acid balance results.*

The table shows the high and low level for each of the tests, as well as two of the primary responses, namely eight hour vanadium recovery percentage and sulfuric acid consumption. Highlighted areas correspond to the upper quartile of vanadium recovery, i.e. the top four tests. The highest vanadium recoveries are associated with some combination of higher sulfuric acid dosage and temperature. The best four combinations average 91.7% vanadium recovery with the highest recovery of 94.3% associated with a low percentage of solid solution, and higher temperature and acid dosage. The upper quartile vanadium tests show acid consumptions ranging between 88 kg/t and 142 kg/t with an average of 109 kg/t. The high temperature runs consistently outperformed the low temperature runs with respect to vanadium. Acid dosages have a lower level of impact than temperature on recovery. High solids density has a negative influence on the recovery, though not as statistically significant as temperature or sulfuric acid dosage.

Phase II Testing: Centre Point Runs

The original experimental design was augmented with additional tests to determine if the metallurgical response is linear or exhibits curvature for any of the variable. A total of four tests using the midpoint between the low and high values was used as the centre points. Summary data is presented in Table 3 and is shown graphically in Figure 4.

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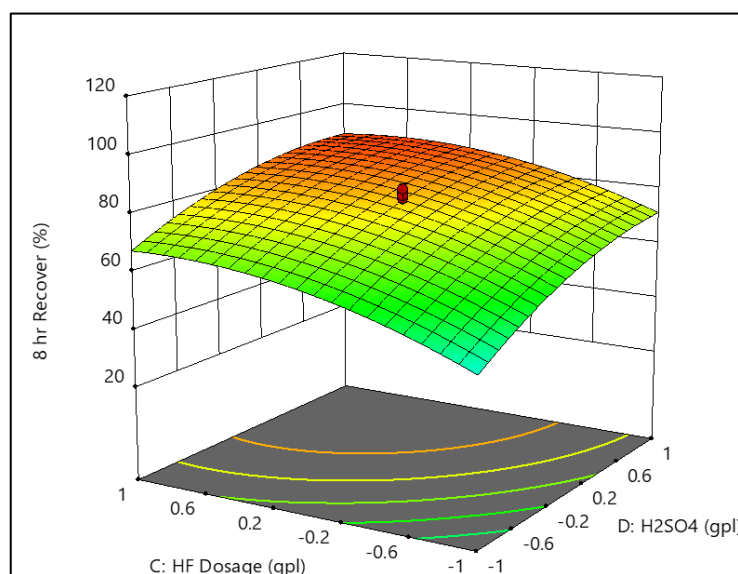
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Table 3: DOE Centre Point Runs with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 16 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-17	C	C	C	C	8	80.6	76
DOE-18	C	C	C	C	8	74.6	89
DOE-19	C	C	C	C	8	83.2	86
DOE-20	C	C	C	C	8	80.9	107

Vanadium recoveries for the centre point runs ranged between 74.6% and 83.2% with an average of 79.8%. Sulfuric acid consumptions ranged between 76 kg/t and 107 kg/t with an average of 89.4 kg/t. As shown in Figure 4, curvature is evident in the leaching system being considered. The plot shows vanadium recovery versus sulfuric and hydrofluoric acid dosage at eight hours of leaching in coded values. The coded values related to the low and high levels being tested, with -1 equal to Low level, +1 equal to High level and zero equal to the centre points. The surface represents the experimental model and the red dots representing the results of the centre point runs to further define the experimental leaching model, the original DOE was augmented to a surface response experimental design and additional tests conducted.

Figure 4: Plot of DOE Centre Point Runs Vanadium Recovery vs. H₂SO₄ and HF Dosage Leach Test Results, Iron Point Master Composite, for each of the 4 Tests



Phase III Testing: Surface Response Experimental Design.

The original DOE series with center points was augmented with 17 additional tests focusing on maximizing vanadium recovery and minimizing acid dosage. Table 4 contains the variable set points in coded values with pertinent metallurgical results. As expected during the surface response testing, there was a large range in metallurgical performance with vanadium recovery ranging between 26.2% and 91.5%. Sulfuric acid consumption ranged between 7.4 kg/t and 234.0 kg/t of ore. Figure 6 illustrates the surface response model for vanadium recovery versus acid dosage in coded values.

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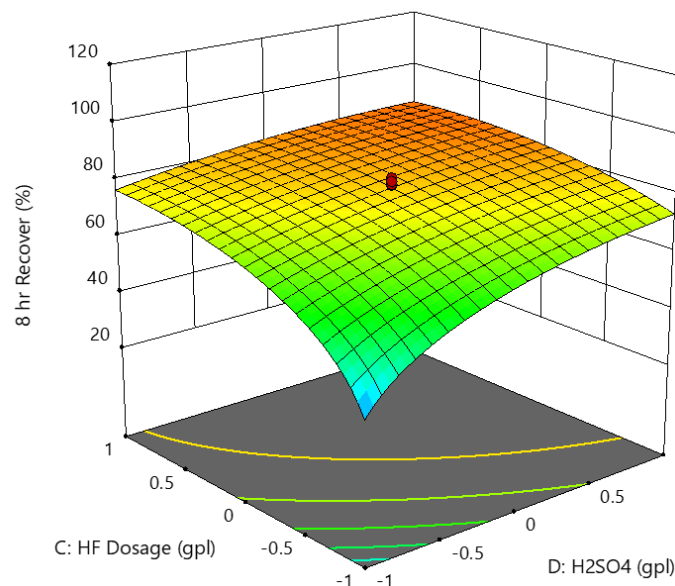
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Table 4: Surface Response DOE with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 17 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
DOE-39	0.00	0.00	0.00	1.67	8	89.0	126
DOE-40	0.00	0.00	0.00	-1.33	8	40.3	144
DOE-41	-1.66	0.00	0.00	0.00	8	64.1	131
DOE-42	0.00	0.00	0.00	0.00	8	84.2	130
DOE-43	0.00	0.00	0.00	1.67	8	90.5	128
DOE-44	0.00	-1.70	0.00	0.00	8	91.5	83
DOE-45	0.00	0.00	-0.17	0.00	8	43.0	234
DOE-46	0.00	0.00	-0.17	0.00	8	48.1	194
DOE-47	-1.66	0.00	0.00	0.00	8	26.2	NA
DOE-48	0.00	-1.70	0.00	0.00	8	86.7	11
DOE-49	0.00	0.00	0.00	0.00	8	84.3	NA
DOE-50	0.00	0.00	0.00	0.00	8	85.3	9
DOE-51	0.00	2.00	0.00	0.00	8	57.3	117
DOE-52	0.33	0.00	0.00	0.00	8	83.3	100
DOE-53	0.00	2.00	0.00	0.00	8	56.3	126
DOE-54	0.00	0.00	2.00	0.00	8	87.5	7
DOE-55	0.33	0.00	0.00	1.67	8	87.3	39

Figure 6: Surface Response DOE Vanadium Recovery vs Acid Dosage Agitation Leach Test Results, Iron Point Master Composite, for each of the 17 Tests



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Phase IV Testing: Model Confirmation Tests

Confirmation of the leaching model was using the Design Expert software to select factors that would maximize vanadium recovery while minimizing acid consumption. The five combinations tested to date are presented in Table 5. As shown, the model allows for maximizing vanadium recovery with a range of 88.0% to 91.5% and an average of 90.0%. Sulfuric acid consumption averaged 74.8% and ranged between 5 kg/t and 102.0 kg/t. Note that the 5 kg/t consumption for CON-1 is likely an outlier but is included in the analysis at this point.

Table 5: Model Confirmation Runs with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 5 Tests

Test ID	Factor 1 Temp., °C	Factor 2 Density, % solids	Factor 3 HF g/L	Factor 4 H ₂ SO ₄ , g/L	Leach Time, hr	V Recovery, %	H ₂ SO ₄ Consumption kg/mt
CON-1	0.022	0.000	0.000	1.667	8	89.7	5
CON-2	0.511	-0.200	0.787	-0.013	8	90.4	102
CON-3	0.511	-0.200	0.800	-0.013	8	91.5	93
CON-4	0.556	-0.300	0.987	-0.013	8	90.4	81
CON-5	0.422	-0.100	1.000	0.307	8	88.0	93

Victory retained Kemetco Research Inc. of Richmond, BC in September, 2020 to advance the metallurgical testing program initiated by McClelland Lab. The Kemetco program will pursue two objectives:

- Conduct unit operation testing and collect required data for the PEA carried out by Wood PLC.
- Demonstrate the conceptual flowsheet at a bench scale and produce a small sample of final V₂O₅.

The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

	Iron Point \$	Other \$	Total \$
Six months ended September 30, 2020			
Acquisition Costs			
Balance as at March 31, 2020	988,701	-	988,701
Additions			
Land claim payments and acquisition costs	89,591	-	89,591
Balance as at September 30, 2020	1,078,292	-	1,078,292
Exploration Costs			
Balance as at March 31, 2020	6,638,315	-	6,638,315
Environmental	18,948	-	18,948
Metallurgy	92,039	-	92,039
Other	20,530	-	20,530
Balance as at September 30, 2020	6,769,832	-	6,769,832
Total Exploration and Evaluation Assets			
Balance as at September 30, 2020	7,848,124	-	7,848,124

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	Iron Point	Other	Total
	\$	\$	\$
Year ended March 31, 2020			
Acquisition Costs			
Balance as at March 31, 2019	855,023	16,561	871,584
Additions			
Land claim payments and acquisition costs	133,678	102,046	235,724
Disposals			
Sale of exploration and evaluation assets	-	(118,607)	(118,607)
Balance as at March 31, 2020	988,701	-	988,701
Exploration Costs			
Balance as at March 31, 2019	2,228,345	-	2,228,345
Drilling	3,298,841	-	3,298,841
Environmental	167,569	-	167,569
Exploration	125,989	-	125,989
Geochemistry	74,258	-	74,258
Geological information systems and mapping	15,537	-	15,537
Metallurgy	496,003	-	496,003
Resource estimate	100,782	-	100,782
Reclamation	8,803	-	8,803
Staking	1,797	3,992	5,789
Other	120,391	-	120,391
Sale of exploration and evaluation assets	-	(3,992)	(3,992)
Balance as at March 31, 2020	6,638,315	-	6,638,315
Total Exploration and Evaluation Assets			
Balance as at March 31, 2020	7,627,016	-	7,627,016

Overall Performance and Results of Operations

Total assets increased to \$9,559,831 at September 30, 2020, from \$9,401,548 at March 31, 2020, primarily as a result of an increases in exploration and evaluation assets of \$221,108 partially offset by decreases in cash of \$38,580 and prepaid expenses of \$20,061. The most significant assets at September 30, 2020, was cash of \$1,625,584 (March 31, 2020: \$1,664,164) and exploration and evaluation assets of \$7,848,124 (March 31, 2020: \$7,627,016). Cash decreased by \$38,580 during the six months ended September 30, 2020 as a result of exploration and evaluation asset expenditures of \$267,990 and cash used in operating activities of \$570,590, partially offset by proceeds of \$800,000 received for subscriptions in advance of a non-brokered private placement financing which was completed in October 2020.

Three months ended September 30, 2020 and 2019

During the three months ended September 30, 2020, loss from operating activities decreased by \$94,070 to \$347,708 compared to \$441,778 for the three months ended September 30, 2019. The decrease in loss from operating activities is largely due to:

- A decrease of \$19,200 in consulting fees. Consulting fees were \$49,800 for the three months ended September 30, 2020, compared to \$69,000 for the three months ended September 30, 2019. The decrease is due to less consulting fees incurred as a result of decreased operations.
- A decrease of \$19,106 in professional fees. Professional fees were \$32,867 for the three months ended September 30, 2020, compared to \$51,973 for the three months ended September 30, 2019. The decrease is due to lower professional fees incurred as a result of decreased operations.

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- A decrease of \$9,084 in office and sundry. Office and sundry was \$18,222 for the three months ended September 30, 2020, compared to \$27,306 for the three months ended September 30, 2019. The decrease is due to less office and sundry expenditures incurred as a result of less corporate activity.
- A decrease of \$23,800 in travel. Travel expense was \$Nil for the three months ended September 30, 2020, compared to \$23,800 for the three months ended September 30, 2019. The decrease is due to less travel required as a result of less corporate activity and government enacted travel bans due to the COVID-19 virus.

The Company recorded loss and comprehensive loss of \$349,742 or 0.00 basic and diluted loss per share for the three months ended September 30, 2020 (September 30, 2019: \$434,876 or 0.00 basic and diluted loss per share).

Six months ended September 30, 2020 and 2019

During the six months ended September 30, 2020, loss from operating activities decreased by \$1,113,704 to \$675,229 compared to \$1,788,933 for the six months ended September 30, 2019. The decrease in loss from operating activities is largely due to:

- A decrease of \$527,147 in management and directors fees. Management and directors fees were \$488,233 for the six months ended September 30, 2020, compared to \$1,015,380 for the six months ended September 30, 2019. The decrease is due to no performance bonuses paid to key management personnel during the six months ended September 30, 2020 compared to the six months ended September 30, 2019.
- A decrease of \$331,406 in share-based compensation. Share-based compensation was \$Nil for the six months ended September 30, 2020, compared to \$331,406 for the six months ended September 30, 2019. No stock options were granted during the six months ended September 30, 2020, compared to 560,000 fully vested stock options with a value of \$331,406 granted during the six months ended September 30, 2019.
- A decrease of \$45,200 in consulting fees. Consulting fees were \$94,800 for the six months ended September 30, 2020, compared to \$140,000 for the six months ended September 30, 2019. The decrease is due to less consulting fees incurred as a result of decreased operations.
- A decrease of \$47,190 in office and sundry. Office and sundry was \$35,220 for the six months ended September 30, 2020, compared to \$82,410 for the six months ended September 30, 2019. The decrease is due to less office and sundry expenditures incurred as a result of less corporate activity.
- A decrease of \$70,495 in travel. Travel expense was \$Nil for the six months ended September 30, 2020, compared to \$70,495 for the six months ended September 30, 2019. The decrease is due to less travel required as a result of less corporate activity and government enacted travel bans due to the COVID-19 virus.

The Company recorded loss and comprehensive loss of \$681,546 or 0.01 basic and diluted loss per share for the six months ended September 30, 2020 (September 30, 2019: \$1,782,402 or 0.02 basic and diluted loss per share).

Victory Metals Inc.

Management's Discussion and Analysis

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Summary of Quarterly Results

	2020			2019				2018
	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	-	-	-	-	-	-	-	-
(Loss) income and comprehensive (loss) income for the period	(349,742)	(331,804)	(360,557)	(408,638)	(434,876)	(1,347,526)	(9,487,206)	-
(Loss) earnings per Common Share Basic and Diluted ⁽¹⁾⁽²⁾	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	(0.24)	N/A

(1) On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share. Comparative periods have been retroactively restated.

(2) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity and Capital Resources

As at September 30, 2020, the Company had cash of \$1,625,584 to settle current liabilities of \$164,726.

The Company does not currently have a recurring source of revenue and has historically incurred negative cash flows from operating activities. As at September 30, 2020, the Company had working capital of \$1,546,981 consisting primarily of cash. Although the Company presently has sufficient financial resources to cover its existing obligations and operating costs, the Company expects to require further funding in the longer term to fund its planned programs for the next year.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company's ability to continue as a going concern.

The sources of funds currently available to the Company for its acquisition and exploration projects are solely due from equity financing.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

October 2020 Financings – Net Proceeds of \$2,178,400

In October 2020, the Company completed a non-brokered private placement of 5,000,000 common shares at a price of \$0.40 per common share for total proceeds of \$2,000,000 and a non-brokered private placement of 500,000 common shares at a price of \$0.40 per common share for total proceeds of \$200,000. The Company intends to use these proceeds for working capital purposes to fund ongoing operations. The Company paid finder's fees of \$21,600 in connection with the private placement financings.

	Intended Use of Proceeds (Estimated)	Actual Use of Proceeds	Over/(Under)-Expenditure at September 30, 2020
Uses of Funds:	\$	\$	\$
Working capital to fund ongoing operations	2,200,000	-	(2,200,000)
Total Uses	2,200,000	-	(2,200,000)

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Prior Financings

October 2019 Financing – Net Proceeds of \$500,000

In October 2019, the Company completed a non-brokered private placement of 746,268 common shares at a price of \$0.67 per common share for total proceeds of \$500,000. The Company intends to use these proceeds for working capital purposes to fund ongoing operations.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Working capital to fund ongoing operations	500,000	500,000	-
Total Uses	500,000	500,000	-

\$179,571 was used towards exploration and evaluation expenditures at the Company's Iron Point Project which included metallurgical testing. The Company has used \$320,429 of the proceeds from the October 2019 financing for general and administrative expenses primarily related to consulting, executive management and directors fees of \$296,566 and advertising, professional fees and transfer agent fees of \$30,955.

May 2019 Financing – Net Proceeds of \$3,618,000

In May 2019, the Company completed a non-brokered private placement of 5,400,000 common shares at a price of \$0.67 per common share for total proceeds of \$3,618,000. The Company paid finder's fees of 270,000 common shares to certain finders in connection with the private placement financing. The Company intends to use these proceeds to continue advancement towards resource definition, completion of a Preliminary Economic Assessment and Phase II drill program.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Acquisition, exploration and evaluation	3,618,000	3,618,000	-
Total Uses	3,618,000	3,618,000	-

\$3,105,687 was used towards the Company's Phase II drilling program which commenced in May of 2019 and was completed in the second quarter of fiscal year ended March 31, 2020. The Company used \$512,313 of the proceeds from the May 2019 financing towards exploration and evaluation expenditures at the Company's Iron Point Project which included environmental costs and metallurgical testing.

January 2019 Financing – Net Proceeds of \$5,950,000

On January 31, 2019, the Company completed a non-brokered private placement financing of 17,000,000 subscription receipts at \$0.35 per subscription receipt for gross proceeds of \$5,950,000. Each subscription receipt automatically converted into one common share of the Company upon completion of the acquisition of Brownstone. The Company paid finder's fees of 514,942 common shares to certain finders in connection with the private placement financing.

Victory Metals Inc.

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A comparison of the use of proceeds disclosed in the Filing Statement dated January 28, 2019, to management's current estimate of the use of proceeds is as follows:

Uses of Funds:	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Costs related to the Transaction	150,000	114,748	(35,252)
Property work program	2,151,350	2,151,350	-
Property payments, acquisition and maintenance costs	218,700	218,700	-
General and administrative expenses for the first 12 months	2,148,000	2,414,672	266,672
Working capital to fund ongoing operations	1,281,950	276,517	(1,005,433)
Total Uses	5,950,000	5,175,987	(774,013)

The Company incurred \$1,092,687 on the Phase I 2019 property work program for the Iron Point Project, which included Phase I reverse circulation drilling and metallurgical testing. The 2019 Phase I work program activities was completed during the Company's second quarter. \$1,058,663 was used towards the Company's Phase II drilling program which commenced in May of 2019 and was completed in the second quarter of fiscal year ended March 31, 2020. The Company has used \$2,414,672 of the proceeds from the January 2019 financing for general and administrative expenditures for the first 12 months primarily related to consulting, executive management and directors fees of \$1,838,869 and advertising, professional fees, travel and transfer agent fees of \$575,803. The Company used \$276,517 of proceeds from the January 2019 financing towards exploration and evaluation expenditures of \$26,356 and \$250,161 towards general and administrative expenditures.

Outstanding Share Data

As at September 30, 2020, there were 91,134,068 common shares issued and outstanding. As at the date of this report, there is 96,634,068 common shares issued and outstanding.

As at September 30, 2020 and the date of this report, there were 9,030,000 stock options and no warrants outstanding.

Related Party Balances and Transactions

Key Management Personnel Compensation

During the six months ended September 30, 2020, key management personnel compensation totaled \$488,233 (six months ended September 30, 2019 - \$1,195,878) comprised of management fees and bonuses of \$436,733 (six months ended September 30, 2019 - \$955,380) paid to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman, \$51,500 (six months ended September 30, 2019 - \$60,000) paid to directors and share-based compensation of \$Nil (six months ended September 30, 2019 - \$180,498) relating to Nil (six months ended September 30, 2019 - 305,000) stock options granted to directors and officers of the Company.

Under the terms of their management agreements, certain officers of the Company are entitled to 18 months of base pay in the event of their agreements being terminated without cause.

As at September 30, 2020, \$72,031 is included in accounts payable and accrued liabilities for amounts owed to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman (March 31, 2020 - \$Nil).

Victory Metals Inc.

Management's Discussion and Analysis

For the six months ended September 30, 2020 and 2019

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating vanadium properties. It is exposed to a number of risks and uncertainties that are common to other vanadium mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Mining Exploration and Development

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Iron Point Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities.

Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

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Risks Associated with Vanadium Markets

Vanadium is not an exchange traded commodity and is sold directly to end users. The profitability of the Company's vanadium operations will be dependent upon the market price of vanadium. Vanadium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of vanadium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Depending on the market price of vanadium, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Public Health Crises such as the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

Significant economic and social impacts have limited the Company's ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

Victory Metals Inc.

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Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

Environmental Risks and Hazards

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Dependence on Iron Point Project

The Company's only material mineral property is the Iron Point Project. As a result, unless the Company acquires or develops any additional material properties or projects, any adverse developments affecting this project or the Company's rights to develop this property could materially adversely affect the Company's business, financial condition and results of operations.

Risks Associated with Potential Acquisitions

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

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Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Negative Operating Cash Flow

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Financing

Additional funding will be required to complete the proposed or future exploration and other programs on the Company's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations. The majority of sources of funds currently available to the Company for its acquisition and exploration projects are in large portion derived from the issuance of equity.

While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and evaluation programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Victory Metals Inc.

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Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the market for vanadium is principally denominated in U.S. dollars.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Enforcement of Civil Liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Critical Accounting Policies and Estimates

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The condensed consolidation interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Victory Metals Inc.

Management's Discussion and Analysis

For the six months ended September 30, 2020 and 2019

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(ii) Critical accounting judgments

- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at September 30, 2020.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash with financial institutions with high credit ratings, thus the credit risk is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future.

Victory Metals Inc.

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For the six months ended September 30, 2020 and 2019

The Company has \$164,726 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at September 30, 2020 would change the company's loss by \$6,660 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

Capital management

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the six months ended September 30, 2020.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions as at the date of this report.

Victory Metals Inc.

Management's Discussion and Analysis

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Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is focused on becoming a low-cost supplier for the vanadium industry. The Company has currently completed a Phase II drilling program to define a resource, is completing metallurgical studies to identify a cost-effective extraction process and is seeking attractive and accretive acquisitions in the vanadium sector. Victory is leveraging the extensive track record of its management team in unlocking value of the Iron Point Vanadium project.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

**EXHIBIT 4
TO APPENDIX H
AUDIT COMMITTEE CHARTER OF VICTORY**

(see attached)

Charter of the Audit Committee of the Board of Directors of
Victory Metals Inc.

(the "Company")

Purpose

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
 - (a) The Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee (attended in person or by phone). The external auditors or any member of the Committee may request a meeting of the Committee.
 - (b) The external auditors shall receive notice of and have the right to attend all meetings of the Committee.
 - (c) Management representatives may be invited to attend all meetings except private sessions with the external auditors.

7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - i. contents of their report;
 - ii. scope and quality of the audit work performed;
 - iii. adequacy of the Company's financial and auditing personnel;
 - iv. co-operation received from the Company's personnel during the audit;
 - v. internal resources used;
 - vi. significant transactions outside of the normal business of the Company;

- vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii. the non-audit services provided by the external auditors.
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal auditors, if any, are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the
 - (b) internal audit department;
 - (c) review and approve the internal audit plan; and
 - (d) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - i. the annual report to shareholders;
 - ii. the annual information form, if required;
 - iii. annual and interim MD&A;
 - iv. prospectuses;
 - v. news releases discussing financial results of the Company; and
 - vi. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any Committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

6. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

APPENDIX I
INFORMATION RELATING TO NEVADA KING

Please see attached.

APPENDIX I

INFORMATION REGARDING NEVADA KING

The following information is provided by Nevada King Mining Corp. (“**Nevada King**” or the “**Company**”), is presented on a pre-Arrangement basis (except where otherwise indicated) and reflects the current business, financial and share capital position of Nevada King. References to Nevada King or the Company include references to any predecessor companies or the Subsidiaries (as defined below) thereto, as context requires. See “*Appendix H – Information Relating to Victory*” and “*Appendix G – Information Relating to the Combined Company*” for business, financial and share capital information relating to Victory Metals Inc. and the Combined Company, respectively.

CORPORATE STRUCTURE

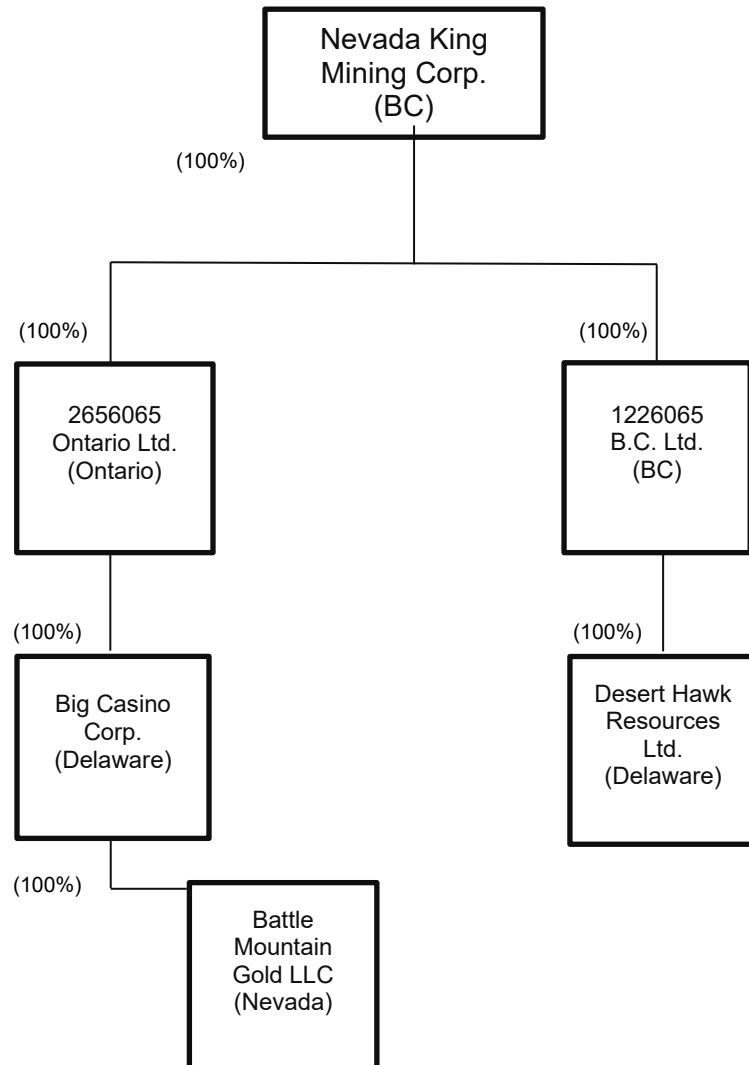
Name, Address and Incorporation

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.) was originally incorporated on December 20, 2019, under the *Business Corporations Act* (British Columbia). The address of the Company’s registered office is 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, Canada, V7Y 1B3. On February 11, 2020, the Company changed its name to Nevada King Mining Ltd.

The Company was incorporated to facilitate the plan of arrangement with Casino Gold Corp. (“**Casino Gold**”), a mineral exploration company with resource properties in Nevada, USA. On January 24, 2020, upon completion of the acquisition, the Company issued 37,560,150 common shares to the shareholders of Casino Gold having deemed value of \$3,512,268 as consideration for 100% of the outstanding common shares of Big Casino Corp. (“**Big Casino**”), Desert Hawk Resources Ltd., Battle Mountain Gold LLC, 2656065 Ontario Ltd. and 1226065 B.C. Ltd. (together, the “**Subsidiaries**”), an investment in Meadow Bay Gold Corp. and a 1% Net Smelter Royalty from production of the Iron Point Project owned by Victory.

Intercorporate Relationships

The Company has five wholly-owned direct and indirect subsidiaries, 2656065 Ontario Ltd., 1226065 B.C. Ltd., Big Casino, Desert Hawk Resources Ltd. and Battle Mountain Gold LLC.



DESCRIPTION OF THE BUSINESS

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

Nevada King owns 100% of the Atlanta Project (as defined below), the Company's only material property, located 100km southeast of Ely, Nevada, which is a historical gold-silver producer that currently hosts a mineral resource estimate constrained by a conceptual pit containing 11 million tonnes of measured and indicated resources grading 1.3g/t Au and containing 460,000 Au oz. Inferred mineral resources are 5.31 million tonnes grading 0.83 g/t Au containing 142,000 Au oz. Exploration activities are currently covered by a BLM-approved Plan of Operations. Existing infrastructure includes electricity to the mine, phone/internet communications, access via a graded county road, and abundant water supply. The resource area remains open for expansion through further drilling. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the mineral resource will be converted to mineral reserves. The quantity and grade is rounded to reflect the fact that it is an approximation.

Including the Atlanta Project, the Company owns a 100% interest in various gold projects, consisting of 6,771 unpatented lode claims covering approximately 12,822 acres, located in the Battle Mountain Trend in, Nevada (USA). The Atlanta Project is the Company's only material mineral property.

Production and Operations

Nevada King's strategy is to acquire mineral properties for the purpose of mineral exploration and exploitation. At present, Nevada King is an exploration stage company with regards to the Atlanta Project, and consequently has no current operating income, cash flow or revenues from the Atlanta Project. There is no assurance that commercially viable mineral deposits exist on the Atlanta Project.

Specialized Skill and Knowledge

Many aspects of Nevada King's business require specialized skill and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs and accounting. Nevada King retains executive officers and consultants with experience in mining, geology, exploration and development in the United States, as well as executive officers and consultants with relevant accounting experience.

Competitive Conditions

Companies operating in the mining industry must manage risks, which are beyond the direct control of company personnel. Among these risks are those associated with exploration, title defects, environmental damage, commodity prices, foreign exchange rates and interest rates.

The mineral exploration and mining industry is competitive and Nevada King will be required to compete for the acquisition of attractive mineral permits, claims, leases and other mineral interests for exploration and development projects. As a result of this competition, the majority of which is with companies with greater financial resources than Nevada King, Nevada King may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of Nevada King to acquire and retain mineral properties in the future will depend on its success with its existing properties, its success in identifying and staking additional mineral properties, its ability to enter into future earn-in agreements, joint venture, royalty and similar agreements and its ability to obtain additional financing to fund further exploration activities. Nevada King also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

Components

Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect Nevada King if, for example, commodity prices fall significantly, thereby reducing the opportunity Nevada King may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that Nevada King waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

Cycles

Nevada King is an exploration-stage mining company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns, although the majority of the United States exploration costs are incurred in the months of June through November. The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

Environmental Protection

All aspects of Nevada King's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. Nevada King's operations are presently primarily focused in Nevada, United States and are subject to national and local laws and regulations.

Nevada King may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. Nevada King conducts its mineral exploration activities in compliance with applicable environmental protection legislation. Nevada King is not aware of any existing environmental problems related to any of its properties that may result in material liability to Nevada King.

Employees

As at the date of this Circular, Nevada King has no full-time equivalent employees and four part-time contractors.

Foreign Operations

Nevada King faces certain risks as a company operating in the United States, including changes to or invalidation of government mining regulations; expropriation or revocation of land or property rights; changes in foreign ownership rights; changes in foreign taxation rates; corruption; uncertain political climate; terrorist actions or war; and lack of a stable economic climate.

Social and Environmental Policies

In March 2020, the World Health Organization declared COVID-19 a global pandemic. In order to protect its employees, contractors and do our part for the safety of our communities, Nevada King implemented a work from home strategy. Given the current uncertainty due to the COVID-19 threat and the highly volatile financial markets, drilling plans are uncertain at this time, but will be reported when plans materialize later in the year.

GENERAL DEVELOPMENT OF THE BUSINESS

Casino Gold Transaction

On January 24, 2020, the Company entered into a purchase and sale agreement with Casino Gold, pursuant to which the Company acquired all of the issued and outstanding common shares of Casino Gold's wholly owned subsidiaries Big Casino, Desert Hawk Resources Ltd., Battle Mountain Gold LLC, 2656065 Ontario Ltd. and 1226065 B.C. Ltd., as well as 350 units in Meadow Bay Gold Corp. ("**Meadow Bay**"), each unit consisting of a secured convertible debenture in the principal amount of \$1,000 and 1,000 warrants to purchase common shares in the capital of Meadow Bay Gold Corp. and a 1% Net Smelter Royalty from production of the Iron Point Project owned by Victory. The Company paid consideration of 37,560,150 Nevada King Shares with a deemed value of \$3,512,268. During the period ended September 30, 2020, the Company converted the convertible debenture into common shares of Meadow Bay, and subsequently disposed of the shares resulting in a loss of \$153,935.

Private Placements

On February 12, 2020, the Company completed a non-brokered private placement financing of 10,000,000 Nevada King Shares at a price of \$0.35 per share for gross proceeds of \$3,500,000.

On March 5, 2020, the Company completed a non-brokered private placement financing of 963,940 Nevada King Shares at a price of \$0.70 per share for gross proceeds of \$674,758.

On July 7, 2020, the Company completed a non-brokered private placement financing of 3,933,543 Nevada King Shares at a price of \$0.70 per share for gross proceeds of \$2,753,480.

On August 4, 2020, the Company completed a non-brokered private placement financing of 86,492 common shares at a price of \$0.70 per share for gross proceeds of \$60,544.

On October 8, 2020, the Company completed a non-brokered private placement for 507,143 common shares at a price of \$0.70 per share for gross proceeds of \$355,000.

Business Combination with Victory

On November 16, 2020, Victory announced that Victory and Nevada King had entered into a binding letter agreement to combine in a merger-of-equals transaction in which Victory will acquire all of the issued and outstanding Nevada King Shares. On December 15, 2020, Victory announced that Victory and Nevada King had entered into a definitive arrangement agreement in respect of the Arrangement. Upon completion of the Arrangement, Victory will be renamed “Nevada King Gold Ltd.” and will continue the businesses of both Victory and Nevada King. Under the terms of the Arrangement Agreement, Victory will acquire all of the issued and outstanding Nevada King Shares in exchange for such number of Victory Shares as will result in the Nevada King Shareholders holding 50% of the issued and outstanding Victory Shares immediately after completion of the Arrangement (not including Victory Shares to be issued upon conversion of the Victory Subscription Receipts). See “*The Arrangement*”, “*The Arrangement Agreement*”, “*Cautionary Statement Regarding Forward- Looking Information*” and “*Risk Factors*” in this Circular.

Eureka Claims Purchase

On January 25, 2021, Big Casino, a wholly-owned subsidiary of the Company, and Nevada Fluorspar, LLC (“**Fluorspar**”) entered into a Purchase and Sale Agreement of Interest in Unpatented Mining Claims (the “**Eureka Claims**”), pursuant to which Big Casino purchased from Fluorspar 60 lode claims located in Eureka County, Nevada in exchange for consideration of \$126,840 and the issuance of 250,000 Nevada King Shares to Fluorspar (the “**Eureka Transaction**”).

Evana Project

On March 16, 2020, the Company acquired the Evana Vanadium Project consisting of 126 unpatented lode claims in Nevada, USA from Brownstone Ventures (US) Inc., a wholly-owned subsidiary of Victory for consideration of \$139,640 (US\$100,000). Victory retained a 1% Net Smelter Royalty on the project which can be repurchased by the Company for US\$500,000. On June 4, 2020, the Company paid the final option payment of \$67,540 (US\$50,000) to earn a 100% interest in the Evana Vanadium Project.

Mineral Projects

Please refer to Exhibit 1 to this Appendix for information regarding the Atlanta Project.

DIVIDENDS OR DISTRIBUTIONS

Nevada King has not, since the date of its incorporation, declared or paid any cash dividends on its Nevada King Shares and does not currently have a policy with respect to the payment of dividends. For the immediate future Nevada King does not envisage any earnings arising from which dividends could be paid. The payment of dividends in the future will depend on the earnings, if any, and Nevada King’s financial condition and such other factors as the Nevada King Board considers appropriate.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Nevada King's audited consolidated financial statements for the period from December 20, 2019 (date of Incorporation) to September 30, 2020 (the "**Nevada King Financial Statements**"), together with the notes thereto, are attached to this Appendix I as Exhibit 2.

See Exhibit 2 to this Appendix I for Nevada King's MD&A for the period from December 20, 2019 (date of Incorporation) to September 30, 2020. The MD&A should be read in conjunction with the Nevada King Financial Statements, together with the notes thereto, which are attached as Exhibits 2 and 3 to this Appendix I.

OUTSTANDING SECURITY DATA

As at the record date, there were:

- (a) 57,591,018 Nevada King Shares issued and outstanding; and
- (b) 1,011,250 Nevada King Options issued and outstanding;

Nevada King Shares

The authorized share capital of Nevada King consists of an unlimited number of Nevada King Shares without par value.

Each Nevada King Share carries one vote at all meetings of Nevada King Shareholders, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Nevada King Shares, and to participate rateably in the liquidation, dissolution, winding-up or other distribution of assets of Nevada King. The Nevada King Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Nevada King Options

For a description of the Nevada King Options see "*Statement of Executive Compensation - Exercise of Compensation Securities by Directors and NEOs*" in this Appendix I.

CONSOLIDATED CAPITALIZATION

There have been the following material changes in the Company's share capital since September 30, 2020, the date of its most recently completed financial period (the Company has no loan capital as of the date of this Circular):

- the issuance of 250,000 Nevada King Shares as consideration for the Eureka Claims pursuant to the Eureka Claim Transaction on January 25, 2021;
- the issuance of 3,738,750 Nevada King Shares pursuant to the exercise of 3,738,750 Nevada King Options issued under the Nevada King Option Plan; and
- the issuance of 507,143 Nevada King Shares issued at a price of \$0.70 per share pursuant to a non-brokered private placement financing;

As a result of the Arrangement, Victory will acquire all of the outstanding Nevada King Shares and all outstanding Nevada King Options will expire.

PRIOR SALES

The table below summarizes the issuances of Nevada King Shares and Nevada King Options issued within the 12 months prior to the date of this Circular.

Date of Issue	Number and Type of Securities	Issue or Exercise Price per Security (\$)	Reason for Issue
February 11, 2021	1,235,000 Nevada King Shares	\$0.35	Exercise of Nevada King Options
February 4, 2021	200,000 Nevada King Shares	\$0.35	Exercise of Nevada King Options
January 26, 2021	522,500 Nevada King Shares	\$0.35	Exercise of Nevada King Options
January 25, 2021	250,000 Nevada King Shares	\$0.70	Issued as consideration for the Eureka Claims pursuant to the Eureka Transaction
December 29, 2020	712,500 Nevada King Shares	\$0.35	Exercise of Nevada King Options
December 17, 2020	1,068,750 Nevada King Shares	\$0.35	Exercise of Nevada King Options
October 8, 2020	507,143 Nevada King Shares	\$0.70	Private Placement Financing
August 18, 2020	550,999 Nevada King Shares	\$0.70	Debt settlement
August 4, 2020	86,492 Nevada King Shares	\$0.70	Private Placement Financing
July 7, 2020	3,933,543 Nevada King Shares	\$0.70	Private Placement Financing
May 19, 2020	41,485 Nevada King Options	\$0.70	Stock Option Grant
March 5, 2020	963,940 Nevada King Shares	\$0.70	Private Placement Financing
February 28, 2020	4,756,015 Nevada King Options	\$0.35	Stock Option Grant
February 12, 2020	10,000,000 Nevada King Shares	\$0.35	Private Placement Financing

ESCROWED SECURITIES

To the knowledge of Nevada King's directors and executive officers, as of the date of this Circular, none of the Nevada King Securities are subject to escrow conditions.

PRINCIPAL SECURITYHOLDERS

To the knowledge of Nevada King's directors and executive officers, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, Nevada King Shares carrying more than 10% of the voting rights attached to all outstanding Nevada King Securities of that class.

Name	No. of Nevada King Securities Owned, Controlled or Directed (non- diluted)	Percentage of Outstanding Nevada King Securities (non-diluted) ⁽¹⁾
Palisades Goldcorp Ltd. ⁽²⁾	24,669,147	42.84%

Notes:

- 1) Based on 57,591,018 Nevada King Shares issued and outstanding as of the Record Date.
- 2) Palisades Goldcorp Ltd. ("**Palisades**") beneficially owns, or exercises control or direction over 42.10% of the Nevada King Shares on a fully-diluted basis.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of Nevada King's directors and executive officers, their municipalities of residence, the positions and offices which they presently hold with Nevada King, and their respective principal occupations as at the date of the Circular. The term of office of each director expires at the next annual meeting of the Nevada King Shareholders.

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Collin Kettell Puerto Rico, USA <i>Founder and Executive Chairman</i>	CEO, Victory, since January 2019; Executive Chairman, Palisades Goldcorp Ltd., since August 2019; Founder, Executive Chairman (since March 2020) and former CEO (2016 - 2020), New Found Gold Corp.; Director, Golden Planet Mining Corp., since January 2021; previously, CEO, Palisade Global Investments Ltd.	December 2019	1,588,750 Nevada King Shares ⁽²⁾ Nil Nevada King Options
Susan Lavertu Puerto Rico, USA <i>CEO</i>	Private resource focused investor.	January 2020	882,500 Nevada King Shares Nil Nevada King Options

Name, State/Province, Country of Residence and Position with Company	Principal Occupation	Director or Officer since	Voting Securities Beneficially Owned or Controlled ⁽¹⁾
Philip O'Neill Alberta, Canada <i>President & Director</i>	President & Founder of MP1 Capital; COO of Palisades Goldcorp Ltd; CEO and Director of Mexican Gold Corp.;	December 2019	712,500 Nevada King Shares Nil. Nevada King Options
Calvin R. Herron⁽²⁾ BC, Canada COO	President of Quest Geological Consultants, a geo-consultancy group focused on minerals exploration in North America.	March 2020	1,552,500 Nevada King Shares Nil Nevada King Options
Michael Kanevsky BC, Canada <i>CFO and Corporate Secretary</i>	CFO of New Found Gold Corp.; CFO of Mexican Gold Corp; CFO of Palisades Goldcorp Ltd.	March 2020	Nil Nevada King Shares Nil Nevada King Options

Notes:

- (1) Nevada King Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 23, 2021, based upon information furnished to Nevada King by the individual directors and executive officers.
- (2) Collin Kettell indirectly holds approximately 6,623,665 Nevada King Shares through his control position (shareholdings) in Palisades Goldcorp Ltd., which holds an aggregate of 24,669,147 Nevada King Shares.

As at the date of this Circular, the directors and executive officers of Nevada King, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 3,471,250 Nevada King Shares representing approximately 6.15% of the issued and outstanding Nevada King Shares. The number of Nevada King Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each director and officer as at the date of this Circular is based on information furnished by Nevada King and by the directors and officers themselves.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Nevada King (or personal holding company) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Nevada King) that:

- (a) was the subject of a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of Nevada King (or personal holding company), or, to the knowledge of Nevada King's management, a Nevada King Shareholder holding a sufficient number of Nevada King Shares to affect materially the control of Nevada King:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Nevada King) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Nevada King (or personal holding company), or, to the knowledge of Nevada King's management, a Nevada King Shareholder holding a sufficient number of Nevada King Shares to affect materially the control of Nevada King, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of Nevada King are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including Collin Kettell, Executive Chairman of Nevada King, is also CEO and a director of Victory. Michael Kanevsky is CFO of Nevada King and affiliated with BM Strategic Capital Corp, which provides strategic advice and CFO services to Victory.

Such associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of Nevada King may not be made available to Nevada King, but rather may be offered to a company with competing interests. The directors and senior officers of Nevada King are required by law to act honestly and in good faith with a view to the best interests of Nevada King and to disclose any personal interest which they may have in any project or opportunity of Nevada King, and to abstain from voting on such matters.

Additionally, the Arrangement is considered a "related party transaction" subject to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI-61-101"). MI-61-101 provides that, in certain circumstances, where an issuer completes a transaction with a "related party" (as defined in MI-61-101) of that issuer, such transaction may be subject to minority shareholder approval, formal valuation and other requirements. Palisades is both a major

shareholder of Victory and Nevada King, holding approximately 47% of the Victory Shares and 44% of the Nevada King Shares. Consequently, minority shareholder approval of the Nevada King shareholders is being sought for the Arrangement. It is expected that the Arrangement will be exempt from the formal valuation requirement of MI-61-101 as neither Nevada King nor Victory is not listed on a specified market set out in section 5.5(b) of MI-61-101. For further information, please see “*Securities Law Considerations – NI 61-101*” of this Circular.

The directors and officers of Nevada King are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and Nevada King will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of Nevada King or any of its subsidiaries which is owing to Nevada King or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Nevada King or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of Nevada King, no proposed nominee for election as a director of Nevada King and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to Nevada King or any of its subsidiaries; or
- (b) is indebted to another entity which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Nevada King or any of its subsidiaries,

in relation to a securities purchase program or other program.

EXECUTIVE COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

Nevada King was not a reporting issuer at any time during its most recently completed financial year. Accordingly, in accordance with Form 51-102FV6 – *Statement of Executive Compensation – Venture Issuers*, Nevada King is not required to provide completed executive compensation financial year information in this Circular. Please see “Information Relating to the Combined Company” for a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to a NEO (as described below) of the Combined Company following the Arrangement.

For the purposes hereof, the term Named Executive Officer, or NEO, means:

- (a) each individual who, in respect of Nevada King, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of Nevada King, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of Nevada King and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Section 1.3(5) of NI 51-102F6V, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of Nevada King, nor acting in a similar capacity, as at the end of the most recently completed financial year.

(each, a “**NEO**”)

From the date of incorporation until the period ended September 30, 2020, Nevada King had three individuals who were NEO:

- (a) Susan Lavertu, who was appointed the CEO in January 2020;
- (b) Michael Kanevsky, who was appointed the CFO in March 2020; and
- (c) Collin Kettell, who was appointed Executive Chairman in January 2020.

The table set forth below describes all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Nevada King or a subsidiary thereof, to each named NEO and director of Nevada King, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of Nevada King for services provided and for services to be provided, directly or indirectly, to Nevada King or a subsidiary since incorporation until the end of the most recently completed financial period.

Table of Compensation Excluding Compensation Securities							
Name and Position	Incorporation Date to September 30, 2020	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Collin Kettell ⁽¹⁾ <i>Executive Chairman and Director</i>	2020 2019	91,452 Nil	168,550 Nil	Nil Nil	Nil Nil	Nil Nil	260,002 Nil
Susan Lavertu ⁽²⁾ <i>CEO</i>	2020 2019	91,419 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	91,419 Nil

Table of Compensation Excluding Compensation Securities							
Name and Position	Incorporation Date to September 30, 2020	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Philip O'Neill ⁽³⁾ <i>President and Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Calvin R. Herron ⁽⁴⁾ <i>COO</i>	2020 2019	96,268 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	96,268 Nil
Michael Kanevsky <i>CFO</i>	2020 2019	24,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	24,000 Nil

Notes:

- (1) Collin Kettell has served as a director of Nevada King since December 20, 2019 and as Executive Chairman since January 2020;
- (2) Susan Lavertu has served as CEO of Nevada King since January 28, 2020;
- (3) Philip O'Neill has served as a director of Nevada King since December 20, 2019 and as President since March 6, 2020;
- (4) Calvin Herron has served as COO of Nevada King since March 6, 2020;
- (5) Michael Kanevsky has served as CFO of Nevada King since March 6, 2020;

Stock Options and Other Compensation Securities

The table set forth below sets out all compensation securities granted or issued to each NEO and director by Nevada King or one of its subsidiaries during the financial period from incorporation to September 30, 2020, for services provided or to be provided, directly or indirectly, to Victory or any subsidiary thereof.

"Compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by Nevada King or one of its subsidiaries for services provided or to be provided, directly or indirectly, to Nevada King or any of its subsidiaries. **"Underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

Compensation Securities							
Name and Position	Type of Compensation Security ⁽¹⁾	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class ⁽²⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Collin Kettell ⁽³⁾ <i>Executive Chairman and Director</i>	Nevada King Options	1,068,750 Nevada King Options (1,068,750 underlying Nevada King Shares: 2.0%)	February 28, 2020	0.35	N/A	N/A	February 28, 2025

Compensation Securities							
Name and Position	Type of Compensation Security ⁽¹⁾	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class ⁽²⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Susan Lavertu ⁽³⁾ CEO	Nevada King Options	712,500 Nevada King Options (712,500 underlying Nevada King Shares: 1.3%)	February 28, 2020	0.35	N/A	N/A	February 28, 2025
Philip O'Neill ⁽³⁾ President and Director	Nevada King Options	712,500 Nevada King Options (712,500 underlying Nevada King Shares: 1.3%)	February 28, 2020	0.35	N/A	N/A	February 28, 2025
Calvin R. Herron ⁽³⁾ COO	Nevada King Options	522,500 Nevada King Options (522,500 underlying Nevada King Shares: 1.0%)	February 28, 2020	0.35	N/A	N/A	February 28, 2025
Michael Kanevsky CFO	N/A	Nil.	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Nevada King Options fully vested as at date of grant.

(2) Based on 53,095,125 Nevada King Shares outstanding as at September 30, 2020.

(3) Represents aggregate amount of Nevada King Options held by NEO or Director as at September 30, 2020.

Nevada Stock Option Plans and Other Incentive Plans

The stock option plan of Nevada King (the “**Nevada King Stock Option Plan**”) is a rolling stock option plan, whereby the aggregate number of Nevada King Shares reserved for issuance, together with any other Nevada King Shares reserved for issuance under any other plan or agreement of Nevada King, shall not exceed ten (10%) percent of the total number of issued Nevada King Shares (calculated on a non-diluted basis) at the time an option (a “**Nevada King Option**”) is granted. Its purpose is to provide Nevada King with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward such persons as may be awarded Nevada King Options under the plan by the Nevada King Board from time to time for their contributions toward the long-term goals of Nevada King, and to enable and encourage such persons to acquire Nevada King shares as long-term investments.

The material terms of the Nevada King Stock Option Plan are as follows:

- the Nevada King Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of Nevada King shares equal to 10% of the issued Nevada King Shares at the time of any Nevada King Option grant;
- if a Nevada King Option expires or otherwise terminates for any reason without having been exercised in full, the number of Nevada King Shares in respect of which the Nevada King Option expired or terminated shall again be available for the purposes of the Nevada King Stock Option Plan;

- persons eligible to be granted Nevada King Options under the Nevada King Stock Option Plan are Directors, Employees and Consultants of Nevada King (as defined in the Nevada King Stock Option Plan);
- the aggregate number of Nevada King Options granted to any one person (and companies wholly owned by that person) in any 12-month period must not exceed 5% of the issued Nevada King Shares at the time of the grant, unless Nevada King has obtained the requisite disinterested Nevada King shareholder approval;
- the aggregate number of Nevada King Options granted to any one consultant in any 12-month period must not exceed 2% of the issued Nevada King Shares at the time of the grant;
- the aggregate number of Nevada King Options granted to all persons conducting investor relations activities in any 12-month period must not exceed 2% of the issued Nevada King Shares at the time of the grant;
- options granted will, subject to the terms and conditions of the option certificate, vest fully upon the award date, unless vesting is otherwise determined by the Nevada King Board or required by the relevant regulatory authorities (as defined in the Nevada King Stock Option Plan);
- the expiry date of an Option shall be the date so fixed by the Nevada King Board at the time the particular Option is awarded, provided that such date shall be no later than the tenth anniversary of the award date of such Option or such later date as allowed by the policies of the applicable regulatory authorities;
- the exercise price shall be determined by the Nevada King Board in its sole discretion, provided that the exercise price shall not be less than the closing price of the shares on the TSX Venture Exchange (the “**Exchange**”) (or, if the shares are not listed for trading on the Exchange, then on such other exchange or quotation system on which the shares are then listed or quoted for trading) on the day preceding the award date and, where there is no such closing price on such trading day, the exercise price shall not be less than the average of the daily high and low board lot trading prices of the shares on the Exchange (or if the shares are not listed for trading on the Exchange, then on such other exchange or quotation system on which the shares are then listed or quoted for trading) for the five (5) trading days immediately preceding the award date, or such other price as may be required or permitted by regulatory authorities from time to time;
- if a holder of Nevada King Options (an “**Option Holder**”) is terminated for cause, each Nevada King Option held by such person shall terminate upon such termination for cause;
- if an Option Holder dies while holding Nevada King Options, each Nevada King Option held by such person shall terminate no later than the earlier of the expiry date of the Nevada King Options and the date which is six months after the date of death, provided that the Nevada King Board may extend the date of such termination to a date not exceeding the expiry date and the date which is 12 months after the date of death;
- if an Option Holder ceases to be an eligible person, other than by termination for cause or death, each Nevada King Option held by such person shall terminate no later than the earlier of the expiry date and the date which is 30 days after such event, provide that the

Nevada King Board may extend the date of such termination to a date not exceeding the earlier of the expiry date and the date which is 12 months after such event;

- subject to all applicable securities laws of all applicable regulatory authorities, the Nevada King Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the option certificate;
- if prior to the complete exercise of an Option the shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”), an Option, to the extent that it has not been exercised, shall be adjusted by the Nevada King Board in accordance with such Event in the manner the Nevada King Board deems appropriate;
- upon the occurrence of an Accelerated Vesting Event (as defined in the Nevada King Stock Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the Option Holders, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with the Option Holders, which replacement options treat the Option Holders in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of shares under such transaction; (c) otherwise modifying the terms of any Option to assist the Option Holders to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event;
- in connection with the exercise of a Nevada King Option, as a condition to such exercise Nevada King shall require the optionee to pay, as applicable, to Nevada King an amount as necessary so as to ensure that Nevada King is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Nevada King Option;
- disinterested shareholder approval is required for any reduction in the exercise price of a Nevada King Option if the Option Holder is an insider of Nevada King at the time of the proposed amendment;
- Nevada King Options are non-assignable and non-transferable;
- the interpretation by the Nevada King Board of any of the provisions of the Nevada King Stock Option Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder; and
- the Nevada King Stock Option Plan contains provisions for adjustment in the number of Nevada King shares issuable on exercise of Nevada King Options in the event of a Nevada King share consolidation, subdivision, conversion, exchange, reclassification or any substitution.

The Nevada King Stock Option Plan is the only equity compensation plan Nevada King has in place. In connection with the Arrangement, the expiration date for every Nevada King Option will be accelerated such that all outstanding but unexercised Nevada King Options at the closing date of the Arrangement shall expire and the Nevada King Stock Option Plan shall be terminated.

Oversight and Description of Director and Named Executive Officer Compensation

In assessing the compensation of its directors and NEOs, Nevada King does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Nevada King Board.

As of the date of this Circular, the Nevada King Board has not established any benchmark or performance goals to be achieved or met by NEOs, however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of Nevada King. The satisfactory discharge of such duties is subject to ongoing monitoring by Nevada King's directors.

Employment, Consulting and Management Agreements

Management functions of Nevada King are not, to any substantial degree, performed by a person or persons other than the directors or executive officers of Nevada King. Nevada King does not have formal management, consulting or employment agreements with its Named Executive Officers.

Termination and Change of Control Benefits

Nevada King has no compensatory plans, contracts or arrangements with any Named Executive Officer that result or will result from the resignation, retirement or and any other termination of such Name Executive Officer or from a change of control of Nevada king or in any change in such Named Executive Officer's responsibilities.

Pension Plan Benefits

Nevada King does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines, which apply to all public companies. While such guidelines do not apply to Nevada King as a non-reporting company, the Nevada King Board and senior management consider good corporate governance to be central to the effective and efficient operation of Nevada King. Please see "Information Relating to the Combined Company" for a discussion of how the Combined Company will adopt the corporate governance guidelines set out in NP 58-201 for the Combined Company.

AUDIT COMMITTEE

As a private company, Nevada King is not required to and does not have an audit committee. The Nevada King Board carries out the functions of an audit committee. Please see "Information Relating to Victory" for the details of the current audit committee charter of Victory. Please also

see “Information Relating to the Combined Company” for details of, inter alia, the individuals proposed to be appointed to the audit committee of the Combined Company upon completion of the Arrangement.

RISK FACTORS

For a discussion of the risks and uncertainties associated with the business of Victory and the Combined Company, please see the “Risk Factors” section in the Circular.

Nevada King’s principal activity is the acquisition and exploration of mineral properties located primarily in the western United States. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, economic, including fluctuations in market prices for metals, financial, environmental, social, security, and political. Additionally, due to factors that often cannot be anticipated, few mineral projects successfully achieve development or commercial production. While risk management cannot eliminate the impact of all potential risks, Nevada King strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of Nevada King’s business. These risks and uncertainties are not inclusive of all risks and uncertainties Nevada King may be subject to. Other risks may exist. Additional risks and uncertainties that Nevada King is not presently aware of, or that Nevada King currently deems immaterial, may also impair Nevada King’s business operations.

Mining is a High Risk Business

Nevada King’s mineral property interests are of high risk and are considered to be speculative in nature. There is no certainty that the expenditures made by Nevada King towards the search for and evaluation of minerals with regard to its mineral property interests, or otherwise, will result in discoveries of commercial quantities of gold or other minerals. Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration programs planned by Nevada King will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Even if commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production. Nevada King’s operations are subject to operational risks and hazards inherent in the mineral exploration industry, including, but not limited to: variations in mineral grade; deposit size; earthquakes and other natural disasters; density and other geological problems; hydrological conditions; availability of power; metallurgical and other processing challenges; mechanical equipment performance problems; the unavailability of materials and equipment including drill rigs and fuel; labour force disruptions; unanticipated transportation costs; unanticipated regulatory changes; unanticipated or significant changes in the costs of supplies, including fuel; and, adverse weather conditions. Should any of these risks or hazards affect any of Nevada King’s exploration activities, Nevada King could suffer delays or a complete stoppage of its exploration activities, which could have a material adverse effect on the business of Nevada King.

Exploration and Development Risks

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in

the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Atlanta Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities.

Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Majority Shareholder Risks

Palisades own approximately 41% percent of the Nevada King Shares on a fully-diluted basis. As a result, Palisades may have the ability to elect all of the members of the Nevada King Board on a regular basis and a majority of the members of the Nevada King Board in a contested election and thereby control Nevada King's policies and operations, including the appointment of management, future issuances of Nevada King Shares or other securities, the payment of dividends, if any, on Nevada King Shares, Nevada King's incurrence of debt, amendments to Nevada King's organizational documents, and the entering into of extraordinary transactions and Palisades' interests may not in all cases be aligned with your interests.

In addition, Palisades may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you. For example, Palisades could cause Nevada King to make acquisitions that increase its indebtedness or cause Nevada King to sell revenue-generating assets. Palisades

is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with Nevada King. Palisades and its other portfolio companies also may pursue acquisition opportunities that may be complementary to Nevada King's business, and, as a result, those acquisition opportunities may not be available to Nevada King.

So long as Palisades continues to beneficially own a sufficient number of Nevada King Shares, even if it beneficially owns significantly less than a majority of Nevada King's outstanding shares, it will continue to be able to effectively control Nevada King's decisions. There are no contractual restrictions on Palisades and its affiliates exercise of their voting rights in Nevada King.

In addition, Palisades will be able to determine the outcome of all matters requiring shareholder approval and will be able to cause or prevent a change of control of Nevada King or a change in the composition of the Nevada King Board and could preclude any acquisition of Nevada King. This concentration of voting control could deprive you of an opportunity to receive a premium for your Nevada King Shares and ultimately will affect the market price of Nevada King Shares.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with indigenous groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

Risk related to the COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The effect of COVID-19 and the actions recommended to combat COVID-19 are changing rapidly.

The extent to which COVID-19 will continue to impact Nevada King's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity, and scope of the outbreak and the actions taken to contain or treat the COVID-19 pandemic including the availability and effectiveness of global vaccination programs. The continued spread of COVID-19 globally could materially and adversely impact Nevada King's business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond Nevada King's control, which may have a material and adverse effect on Nevada King's business, financial condition, and results of operations.

Nevada King continues to assess the impact that COVID-19 might have on its exploration operations. Overall, the key risks related to exploration activities currently relate to (a) availability of drilling and assay services; (b) the procurement of goods and potential supply chain issues; and (c) impact to both site-based personnel and head office personnel. In order to protect its employees, contractors and do our part for the safety of our communities. Given the current uncertainty due to the COVID-19 threat and the highly volatile financial markets, drilling plans are uncertain at this time. Nevada King will continue to closely monitor the directives of all levels of government in both Canada and the United States and remains committed to the health and safety of its personnel.

In addition, the actual and threatened spread of COVID-19 globally could continue to have impacts on global economies and financial markets, resulting in an economic downturn, affecting the ability to raise capital. Any of these developments, and others, could have a material adverse effect on demand for precious and base metals and Nevada King's business.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Dependence on Atlanta Project

The Company's only material mineral property is the Atlanta Project. As a result, unless the Company acquires or develops any additional material properties or projects, any adverse developments affecting this project or the Company's rights to develop this property could materially adversely affect the Company's business, financial condition and results of operations.

Environmental Risks and Hazards

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Nevada King may hold interests on projects located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. Nevada King's future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which Nevada King holds a royalty or other interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the owner/operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous peoples. Claims and protests of indigenous people may disrupt Nevada King's operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both Nevada King's ability to undertake exploration and development activities in respect of present and future properties, as well as its ability to continue to explore and develop those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

Risks Related to Operating in Remote Locations

Nevada King's properties are located in remote areas. As a result, Nevada King's operations and personnel may be subject to operating and safety risks arising from several factors, including, but not limited to: water scarcity, inadequate and poorly maintained roads; limited air transport options; and, deficient or non-existent public services, including communications, energy, fire department, healthcare, water, and police. These risks may compound impacts of some of the other risks identified in this document, including security, natural disasters, and social, among others.

Negative Operating Cash Flow

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Risks Relating to Nevada King's Ability to Raise Funding to Continue its Exploration, Development and Mining Activities

Nevada King has no revenues from operations and has recorded losses since inception. Nevada King expects to incur operating losses in future periods due to continuing expenses associated with general and administrative costs, costs of seeking new business opportunities, and

advancing its properties. Nevada King has finite financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to:

- generate revenues in excess of expenditures;
- reduce costs in the event revenues are insufficient; and
- secure near and long-term financing.

Historically, Nevada King has relied on equity financing to meet its capital requirements. Additional funds raised by Nevada King through the issuance of equity or convertible debt securities will cause current Nevada King Shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Nevada King Shareholders.

Nevada King does not have any contractual restrictions on its ability to incur debt and accordingly, Nevada King could incur significant amounts of indebtedness to finance its exploration activity. Any such indebtedness could contain covenants, which would restrict Nevada King's operations.

In light of volatile commodity prices, the limited ability of junior mining issuers to access capital markets, Nevada King may need to pursue alternative ways to finance its future exploration operations and seeks new business opportunities. There is no certainty that additional financing either through traditional equity and debt financing arrangements or an alternative transaction, or any combination thereof will be available at all or on acceptable terms.

Risks Relating to Price Fluctuations in Metals

World prices for commodities fluctuate and are affected by numerous factors including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities, and therefore an economic downturn could have a negative impact on Nevada King.

Risks Relating to Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Nevada King holds an interest. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Nevada King.

Risks Relating to Inadequate Insurance or Inability to Obtain Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

The Possible Issuance of Additional Nevada King Shares May Impact the Value of Nevada King Shares

Nevada King is authorized to issue an unlimited number of Nevada King Shares without par value. Sales of substantial amounts of Nevada King Shares (including Nevada King Shares issuable upon the exercise of Nevada King Options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Nevada King Shares and the ability of Nevada King to raise equity capital in the future.

Nevada King is Reliant on the Quality of its Employees and Being Able to Recruit and Retain Them

Recruiting and retaining qualified personnel is critical to Nevada King's success. Nevada King is dependent on the services of key executives including Nevada King's CEO, as well as other highly skilled and experienced executives and personnel involved in managing Nevada King's interests. The number of persons skilled in acquisition and exploration of mining properties is limited and competition for such persons is intense. As Nevada King's business activity grows, Nevada King will require additional experienced financial, administrative and mining personnel as well as operations staff. There can be no assurance that Nevada King will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If Nevada King is not successful in attracting, training and retaining qualified personnel, the performance of its operations could be impaired, which could have an adverse impact on Nevada King's future cash flows, earnings, results of operations and financial condition.

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified advisors and consultants, to manage Nevada King's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Nevada King. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Nevada King might undertake, and legal claims for errors or mistakes by Nevada King's personnel.

Potential Conflicts of Interest

Certain directors and officers of Nevada King are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures, which are potential competitors for Nevada King, including Victory. Situations may arise in connection with potential acquisitions in investment where the other interests of these directors and officers may conflict with the interests of Nevada King. Directors and officers of Nevada King with conflicts of interests will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Acquisition Risks

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Risks Relating to Fluctuations in Foreign Currency Exchange Rates

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the market for vanadium is principally denominated in U.S. dollars.

Enforcement of Civil Liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active

in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of Nevada King to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to Nevada King. If increased levels of volatility and market turmoil continue, Nevada King's operations could be adversely impacted, and the value and price of the Nevada King Shares could be adversely affected.

QUALIFIED PERSON

All technical data, as disclosed in this Schedule, has been verified by Nevada King's qualified person, Calvin R. Herron. P.Geo.

AUDITOR

The auditor of Nevada King is Crowe MacKay LLP, Chartered Professional Accountants, 1100 – 1177 West Hastings St., Vancouver, BC V6E 4T5.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only Material Contracts entered into by Nevada King since the beginning of the last financial year ending before the date of this Circular or before the beginning of the last financial year ending before the date of this Circular for any material contract that is still in effect:

Arrangement Agreement between Nevada King and Victory dated December 14, 2020.

INTERESTS OF EXPERTS

The independent auditor of Nevada King, Crowe MacKay LLP, Chartered Professional Accountants, provided an auditor's reports dated February 18, 2021, in respect of the Nevada King Financial Statements.

As at the date hereof, Crowe MacKay LLP, Chartered Professional Accountants have reported that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

**EXHIBIT 1
TO APPENDIX I**

ATLANTA PROJECT

INFORMATION CONCERNING THE PROPERTY

INFORMATION CONCERNING THE PROPERTY

Source of Information and Data

The following is a summary of the NI 43-101 Technical Report (the “**Technical Report**”) for the Atlanta Project, located in Lincoln County, Nevada, USA (the “**Property**”).

On December 14, 2020, Nevada King Mining Ltd. (“**Nevada King**”) entered into a definitive agreement with Victory Metals Inc (“**Victory**”). Upon completion of the arrangement, Desert Hawk Resources Inc. (“**DHRI**”) would become an indirect wholly owned subsidiary of Victory. The completion of the agreement remains subject to certain conditions. Definitions contained in this Part and not otherwise defined in this Circular, shall have the meanings ascribed to such definitions in the Technical Report.

Property Description and Location

The Property is in the northern portion of Lincoln County, Nevada, as shown on Figure 1. The extent of the Property is identified by its mineral claims, as described in Figure 2. The Property is centered at approximately latitude N38°28’ and longitude W114°19’, and consist of an area of 12,765 acres comprised of 12 patented and 639 unpatented mineral claims held by DHRI, the US subsidiary of Nevada King and Victory. The unpatented claims are located on United States Bureau of Land Management (BLM) land.

The Property is located approximately 160 direct miles northeast of Las Vegas, Nevada. To travel to the Property by road from Las Vegas:(1) drive north along Interstate 15 for 25 miles, (2) drive north on Highway 93 for 182 miles (approximately 29 miles north of Pioche, Nevada) (3) drive east on the gravel surfaced Atlanta Road for 21 miles. The driving time from Las Vegas, Nevada, is approximately 4.5 hours. The Property is a two-hour drive from Ely, Nevada (population about 4,000 people), which is an alternate source of labor and basic supplies. Las Vegas, Nevada can provide most supplies and heavy equipment that are not available at Pioche and Ely.

Historical mining operations from 1975 to 1985 (prior to current ownership of the Property) resulted in onsite waste storage in a tailings dam and surface impoundment area. All of DHRI’s activities have been conducted outside of the tailings dam and surface impoundment area. These areas of potential impact are not expected to affect DHRI’s ability to conduct exploration and drilling activities, or to evaluate the potential feasibility of mining. Potential environmental liabilities and mitigation practices for DHRI’s onsite activities are described in the Notice of Intent (Sunrise, 2011) which was approved by BLM (2012). Permits for current exploration operations are in good standing.

Geologically speaking, the Property is located within the foothills and the adjacent valley floor at the north end of the Wilson Creek Range. Gold and silver mineralization at the Property is hosted in or adjacent to Tertiary fault zones that cut Paleozoic sedimentary rocks and Tertiary volcanic and intrusive rocks. The mineralization occurred during the Eocene. Hydrothermal fluids were

primarily channeled along the normal Atlanta fault and to a lesser extent along a NW-trending high-angle fault with probable right-lateral displacement. Mineralization may be terminated to the south by an east-west fault.

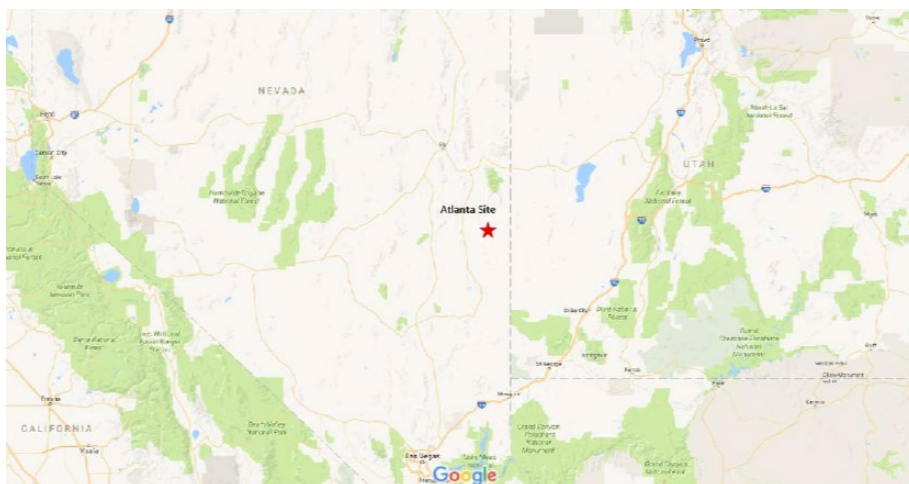


Figure 1: Atlanta Project location map in Lincoln County, Nevada, USA.

Mineral Titles

The Property consists of 12 patented and 639 unpatented mineral lode claims totaling approximately 12,765 acres held by Desert Hawk Resources Inc. – summarized in Table 1. Upon completion of the arrangement between Nevada King and Victory, DHRI will become an indirect wholly owned subsidiary of Victory. The 639 unpatented claims were staked by Meadow Bay Gold and Big Casino and are located on United States Bureau of Land Management (BLM) land. Production from specific claims of the Atlanta property is subject to royalties to Rutherford Day (Bobcat), and Exxon Minerals Corporation; other claims are unencumbered by royalties. No production is currently occurring. Surface usage by DHRI is permitted by BLM and appears to be adequate for foreseeable activities.

According to BLM receipts provided by DHRI, annual claim maintenance fees were paid August 2020 for the period through September 1, 2021. Property taxes to Lincoln County for the patented mining claims are paid through the end of the fiscal year of 2021. A complete list of the individual claims is provided in Appendix B of the Technical Report. Net smelter royalty and payment terms for the NBI claim group, and the 12 Atlanta patents and 48 Bobcat unpatented claim group (known as the Bobcat Claims) are described in greater detail below, otherwise other claims on the property are unencumbered by royalties.

DHRI holds the surface rights for the Atlanta patented claims acquired from Bobcat. The BLM has no restrictions that would prevent mining operations on unpatented land beyond the typical requirements of permitting, bonding and reclamation. Surface rights appear to be adequate for foreseeable activities.

Table 1: Summary of Mineral Claims Blocks

Claim Block Name	No. of Claims
Patented Claims	
Atlanta Patented Claims	12
Unpatented Claims	
Bobcat Claim Group	48
Lily Claim Group	120
Bluebird Claim Group	4
NFL Claim Group	5
PEG Claim Group	19
NBI Claim Group	135
SNO Claim Group	13
C & B Claim Group	27
Lauren Claim Group	10
Julie Claim Group	3
AT Claim Group	255
Total	639

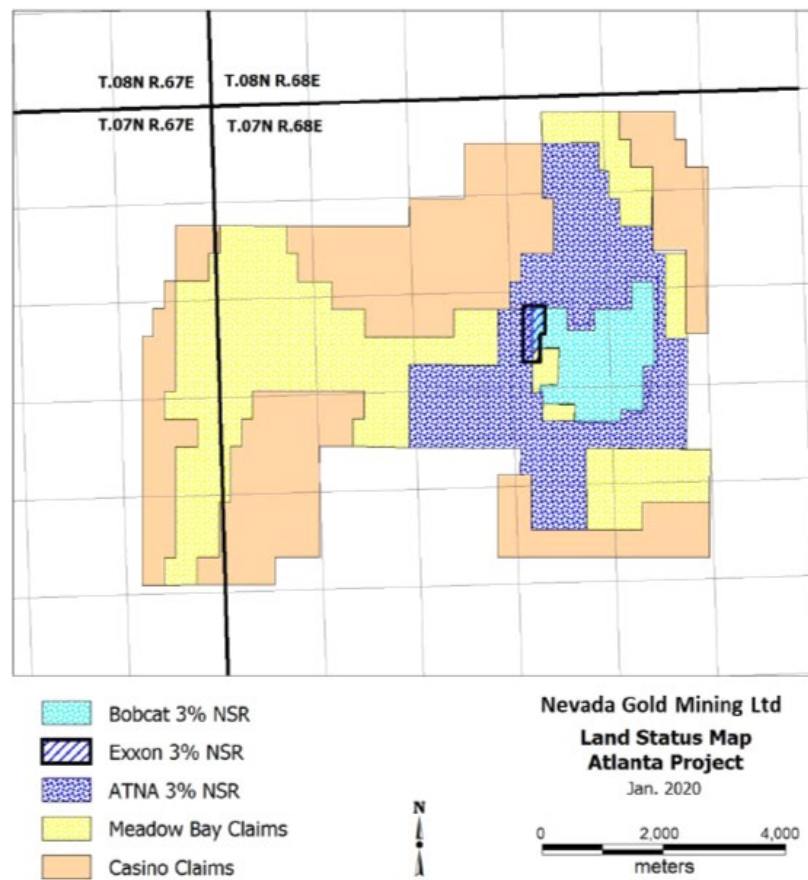


Figure 2: Mineral Claims for Atlanta Property.

Location of Mineralization

Gold and silver mineralization at the Property is hosted in or adjacent to Tertiary fault zones that cut Paleozoic sedimentary rocks and Tertiary volcanic and intrusive rocks. The highest-grade gold and silver mineralization are associated with strongly silicified, brecciated Paleozoic carbonate rocks. Mineralization is also associated with primarily argillically-altered Tertiary felsic intrusive rocks. A felsic quartz feldspar porphyry is interpreted to have intruded along the pre-mineral fault zones and was altered and mineralized.

The mineralization occurred during the Eocene. Hydrothermal fluids were primarily channeled along the normal Atlanta fault and to a lesser extent along a NW-trending high-angle fault with probable right-lateral displacement. Mineralization may be terminated to the south by an east-west fault.

The geologic database consists of a combination of historical and post 2011 drillhole data directed by Meadow Bay Gold, previous owner of DHRI. DHRI's exploration campaigns have focused on confirmation of the historical drillhole database, along with holes to extend mineralization down-dip to the west of the historical pit. DHRI drilling has been effective in confirming the historical database and is determined to be appropriate for estimation of mineral resources.

Royalties, Agreements and Encumbrances

Production from specific claims of the Property is subject to royalties to Americas Bullion Royalty Corp., Rutherford Day (Bobcat), and Exxon Minerals Corporation; other claims are unencumbered by royalties.

The royalties on the Project are as follows:

Net Smelter Royalty to Americas Bullion Royalty Corp.

For production on the NBI claims, DHRI is obligated to a 3% NSR to Americas Bullion Royalty Corp.

Net Smelter Royalty to Bobcat

For production on the Bobcat claims, DHRI is obligated to pay Bobcat a 3% Net Smelter Return (NSR) royalty for up to 4,000 ounces of gold.

Net Smelter Royalty to Exxon Minerals Corporation

Production from four of the Bobcat claims (ATL-122, 124, 126 and 156) is subject to a 3% NSR to Exxon Minerals Corporation (Durgin, 2012): these four claims are located in the footprint of the former tailings pond, and are not expected to be mined by DHRI (Meadow Bay, 2013b).

The Company is not aware of any other existing royalties over the Property at the date of the Technical Report.

Environmental Liabilities and Permitting

Environmental impact from historical mining operations was assessed by Entrix (2007), Inc., on behalf of Hemis Corporation. Entrix identified various fuel tanks, transformers, and associated stained soil. All unused fuel tanks and transformers have been removed from site. An

impoundment area containing tailings and an estimated 100 cubic yards of solid waste (slag, drums, and debris) was identified in the vicinity of the mill.

As reported in Prochnau (1992), 1.575 million tons of tailings were generated during historical mining operations between 1975 and 1985. The tailings from historical mining and milling operations were stored on-site in the dry tailings pond area and impoundment area, as shown on Figure 4. The tailings dam and pond are reportedly unlined (DHRI, 2010), however local depth to groundwater is deeper than 1,000 feet below ground surface.

DHRI has not disturbed the tailings dam and impoundment during its onsite activities. The potential environmental impacts from these historical mining operations are not expected to affect DHRI's ability to conduct exploration activities or evaluate the feasibility of mining. DHRI should seek BLM concurrence on how to address the potential environmental liability from the historical mining operations. The environmental impact mitigation practices as described in Sunrise (2011) appear reasonable.

Required Permits and Status

DHRI's onsite activities are permitted by the BLM. Permitted activities are described in the Plan of Operation filed with the BLM in 2014. DHRI's permitted on site activities includes exploratory drilling, followed by reclamation of the disturbed areas.

Compliance

As at the date of the Technical Report, DHRI had not started its drilling program at the Property. However, once operations commence, compliance will be monitored and enforced by the Atlanta District BLM Office.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Topography

The property is located on the foothills and the adjacent valley floor at the north end of the Wilson Creek Range. Topography is moderate and elevations range from 6,500 to 7,800 feet above sea level (asl). Vegetation in the project area is typical of eastern Nevada desert, consisting primarily of sagebrush and grasses at the lower elevations and pinion and juniper trees at higher elevations.

Climate and Length of Operating Season

The local climate in the vicinity of the Property is high semi-desert, with hot summers, cold winters, and most precipitation falling during the winter months. The nearest National Oceanic Atmospheric Administration weather stations are Pioche (elevation of 6,120 feet asl) and Ursine (elevation of 5,760 feet asl) (WRCC, 2013). The average annual precipitation recorded at Pioche and Ursine is 13.6 and 11.4 inches, respectively. The average monthly maximum temperature in the summer, reported in Fahrenheit, is in the 80s. The average monthly minimum temperatures in the winter are in the 20s at Pioche, and in the 40s in Ursine. Historical mining and milling operations at the Atlanta mine were conducted year-round.

Access to Property

The Property is located approximately 160 direct miles northeast of Las Vegas, Nevada. To travel to the Property by road from Las Vegas: (1) drive north along Interstate 15 for 25 miles, (2) drive north on Highway 93 for 182 miles (approximately 29 miles north of Pioche, Nevada) (3) drive east on the gravel surfaced Atlanta Road for 21 miles. The driving time from Las Vegas, Nevada, is approximately 4.5 hours.

The Property is a two-hour drive from Ely, Nevada (population about 4,000 people), which is an alternate source of labor and basic supplies. Las Vegas, Nevada can provide most supplies and heavy equipment that are not available at Pioche and Ely.

Surface Rights

DHRI holds the surface rights for the Atlanta patented claims acquired from Bobcat. The BLM has no restrictions that would prevent mining operations on unpatented land beyond the typical requirements of permitting, bonding and reclamation. Surface rights appear to be adequate for foreseeable activities.

Local Resources and Infrastructure

The Property is well situated with regard to physical infrastructure as a result of the presence of prior mining operations at site. The established access road, power line, telecommunications, water rights, well, and office and camp infrastructure are all supportive of exploration, mining, and development activities. Pioche and Ely should serve as labor sources sufficient for development and mining operations.

Four telephone land lines provide telephone and internet service to the Property. During DHRI's 2011 through 2015 exploration activities, communication lines were adequate. Cellular service is intermittent at the mine site and along access corridors, depending on the wireless carrier. Additional infrastructure would be required for development of a mine and processing facilities at site, but many critical items are already in place.

From its acquisition of DHRI, Victory wholly owns Bobcat's holdings of the Property, consisting of the claims, water rights and power lines, all digital and paper records, maps, reports and assays, drill chips, core and other samples present on the property. The Property was an active mining operation from 1975 to 1985. The remaining infrastructure from historical mining is owned by Nevada King through DHRI. The mill building and equipment previously associated with the Property have been dismantled and removed.

Power Supply

Lincoln County Power is supplying power to the Project. The right of way for the 14-mile power line to the Property through BLM lands is held by DHRI and is valid until 2065. Power supply was adequate during DHRI exploration and historical mining activities.

Water Supply

Potable water is supplied by a contractor and is brought onto the Property by truck. Water is stored in a potable water tank adjacent to the camp facilities and is sufficient to support exploration activities.

Processing water is supplied by a well permitted by the State of Nevada (State of Nevada, 1990). The well is in the southeast quarter section of Section 32, Township 7 North, Range 67 East, within Lake Valley, located south and west of the Atlanta mine. The well is permitted for a supply of 0.3 cubic feet per second, not to exceed 70.77 million gallons per year. The State of Nevada Permit includes the well, plus a 9-mile long 6-inch diameter conveyance pipe and 110,000-gallon storage tank. The right of way for the 9-mile conveyance piping is located within BLM land. DHRI holds a valid lease for the right of way and is valid until 2066. The water tank is in reasonable shape and currently holds water, however, the conveyance pipe is in poor shape and in need of repair/replacement. This water supply was used during mining activities through 1985, providing sufficient water for the 800 tpd milling and agitated cyanide leach plant.

Water utilized for DHRI's 2012 and 2015 drilling activities was pumped from the supply well to a water truck and transported as needed to the drill sites. In 2012, DHRI rebuilt the pumps and motors associated with the water supply well. Water supply for DHRI's exploration activities were supported by this water supply well and were adequate.

Buildings and Ancillary Facilities

DHRI currently maintains a 3,000 square foot modular building used to house up to 18 exploration staff and utilizes an office from former mining activities for data storage, sample preparation, and office support. A core storage building was assembled on the patented mining claims in 2015 to house core and drill cuttings.

A map showing site features is provided below on Figure 3.

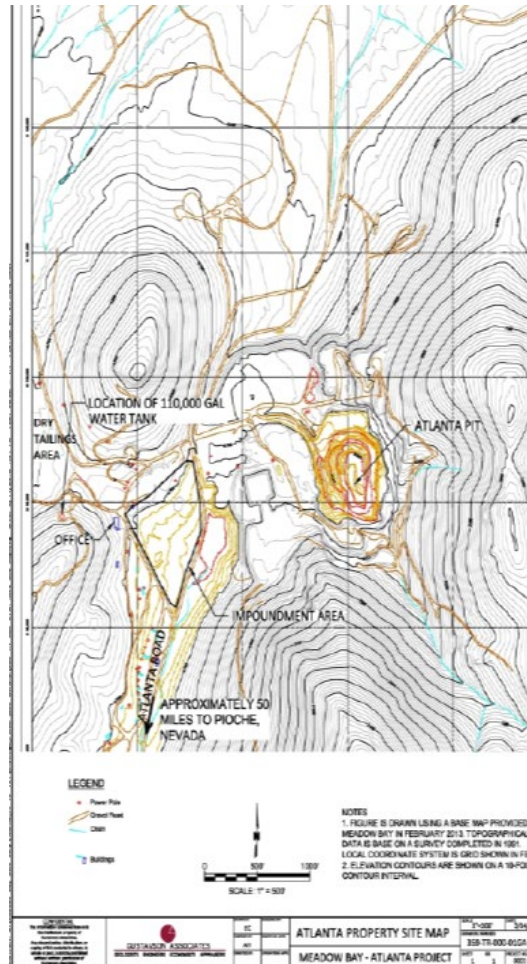


Figure 3: Atlanta Property Site Map

Tailings Storage Area

Historical mining operations from 1975 to 1985 (prior to current ownership of the Property) resulted in onsite waste storage in a tailings dam and surface impoundment area, with 1.575 million tons of tailings generated during historical mining operations. The tailings from historical mining and milling operations were stored on-site in the dry tailings pond area and impoundment area, as shown on Figure 4. The tailings dam and pond are reportedly unlined, however local depth to groundwater is deeper than 1,000 feet below ground surface.

DHRI has not disturbed the tailings dam and impoundment during its onsite activities. The potential environmental impacts from these historical mining operations are not expected to affect DHRI's ability to conduct exploration activities or evaluate the feasibility of mining. DHRI should seek BLM concurrence on how to address the potential environmental liability from the historical mining operations.

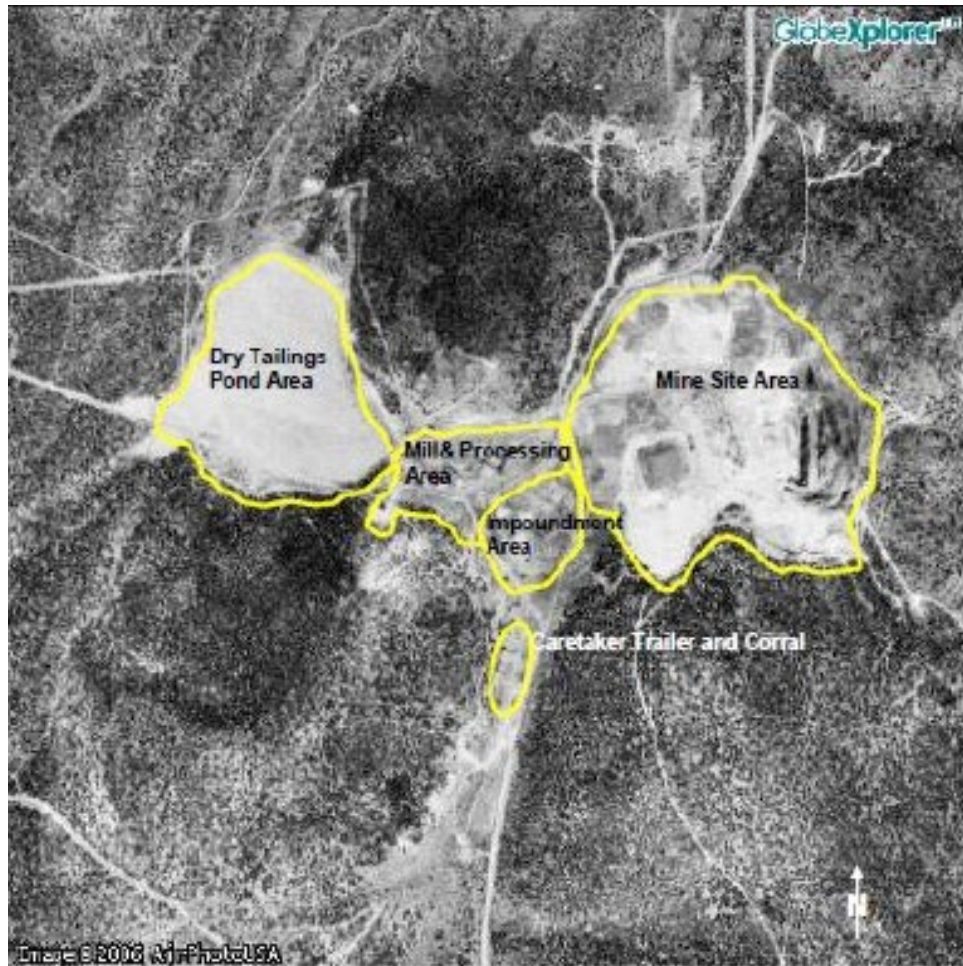


Figure 1
VICINITY MAP
ATLANTA NINE BASELINE ENVIRONMENTAL SURVEY ASSESSMENT

Figure 4: Historical Mines Site, Mill Site, Dry Tailings Pond, and Impoundment Area.

Personnel

Lincoln County is a lightly populated section of southeastern Nevada. The closest town, Pioche, is the County Seat and has an estimated population of 1,189 reported in 2020 county census. There was historical mining activity in the mountains west of the Property at Silver Park, but no current mining activity is known. The local economy is supported by County government activity, tourism, and agriculture. The town of Ely, Nevada, is approximately 3 hours to the north, with a population of 4,255 as of the 2010 census. Ely is a regional center for mining activity, with several operating mines located around the town.

HISTORY

Ownership

Historical ownership of the Property is described in this section.

- 1906: Atlanta Consolidated Gold Mining Company buys the Atlanta Claims.
- 1913: Elmer M. Bray and W. T. Hook are identified as owners of the Property.
- 1915: Atlanta Home Gold Mining takes control of the Property.
- 1934: Thrail West and Co. takes ownership of the Property.
- 1945: Clyde E. Collins and Robert Phelan take joint ownership of the Property, until 1945 when Mr. Phelan dies, and Mr. Collins becomes the owner.
- 1953-1958: Atlanta Gold and Uranium Company is listed as owner.
- 1961: Robert M. Jordan takes ownership of the Atlanta mine.
- 1965: Deep Sand Petro-Energy Development takes ownership of the Property, and Duval Corporation was asked to be a joint owner in 1966 but declined.
- 1969: A&B Gold and Silver Mines takes ownership of the Property.
- 1970: Golden Cycle purchased the Property from A&B Gold Silver Mines.
- 1970: Aztec Gold buys the Atlanta Mill.
- 1970: Bobcat acquires the lease on the Property in 1970 and buys the mill and property in 1973 and 1974, respectively. Under Bobcat's ownership, Bobcat entered into several contractual arrangements as further described in the Technical Report and summarized below:
 - In 1974, Bobcat entered into a joint venture agreement with Standard Slag for development and mining: this agreement was terminated in 1985.
 - In 1990, Bobcat entered into an option purchase agreement with Gold Fields Mining Corporation (Gold Fields): this agreement was terminated in 1991.
 - From 1997 to 1998, Kinross Gold Corporation (Kinross) entered into an agreement for exploration.
 - From 2000 to 2001, Cordilleran Exploration Company (Cordilleran) entered into an agreement for drilling.
- 2009-2010: DHRI is formed as a private company and acquires the interest in the Property, along with several other Nevada exploration projects.
- 2011: Meadow Bay purchased DHRI and in so doing acquired the Property.
- 2019: Casino Gold Corp. purchased DHRI and in so doing acquired the Property.
- 2020: Nevada King was spun out of Casino Gold Corp. to its shareholders. As of February 2020, Casino no longer had any interest in Nevada King.

- December 14th, 2020: Nevada King entered into a definitive arrangement agreement with Victory. Upon completion of the arrangement DHRI would become an indirect wholly owned subsidiary of Victory. The completion of the agreement remains subject to certain conditions. Additional information regarding the definitive arrangement agreement can be found in the Joint News Release titled "Victory Metals and Nevada King Enter into Arrangement Agreement" dated December 15, 2020 available on Victory's SEDAR profile.

Past Exploration

The Project has been extensively explored for precious and base metals by a wide variety of mining companies, with the first development recorded in 1906 by the Atlanta Consolidated Gold Mining Company. Mining operators during the 1930s included Penobscott Mining Company, Atlanta Mining and Refining Co., and Richmond Chemical and C. E. Collins.

In 1947 and 1948, approximately 14,000 tons of ore were mined. Pit mining begins in 1953. In 1954, the Atlanta Gold and Uranium Company produced 22,000 tons of ore grading 0.33 ounces per ton (opt) gold and 1.16 opt silver. Ore was shipped to Kennecott's McGill smelter near Ely, Nevada.

In the 1960s, Deep Sand Petro-Energy erected a mill and began its operation in 1966 to support mining operations. From May 1966 to September 1967, 26,957 tons are milled. The 22-kilovolt power line and transformers that remain in use were constructed between 1966 and 1967. The well was drilled and installed in 1966 and remains in use following pump refurbishment in 2012. The water line was installed in 1966 and requires refurbishment prior to use.

Under the Bobcat and Standard Slag joint venture, the pit development and mining occurred between 1975 and 1985. Mining and milling operated at 120,000 tons per year. An upgraded ball mill was installed in 1976. In 1985, mining at Atlanta mine was shut down due to falling gold prices. In the 10 years of mining, approximately 1,500,000 tons of material was mined, producing approximately 110,000 ounces of gold and 800,000 ounces of silver.

In 1990, Gold Fields conducted exploration activities including geologic mapping, rock chip and soil geochemical surveys, and sagebrush bio-geochemical survey. Gold Fields' exploration results are not available and therefore not utilized for resource estimate. Gold Fields' exploration activities are not retained for further discussion in this report.

Additionally, Gold Fields conducted geophysical surveys (i.e., induced polarization / resistivity, audio-magneto-telluric (AMT), magnetic and radiometric methods) over the mine and surrounding areas. Results of Gold Fields' geophysical survey were excerpted from Durgin (2012). The AMT results in Figure 5, show a sharp boundary trending slightly to the west of north that runs for at least 2.5 miles northward from the Atlanta mine. This represents the Atlanta fault, which is a primary control for the mineralization in the Atlanta Mine area. The mineralization appears to be along this sharp break, associated with a cross fault.

In 1997, Kinross mapped and sampled jasperoid outcrops in the area east of the Atlanta pit, and conducted soil sampling. Kinross' surface exploration results were not available at the time of the Technical Report.

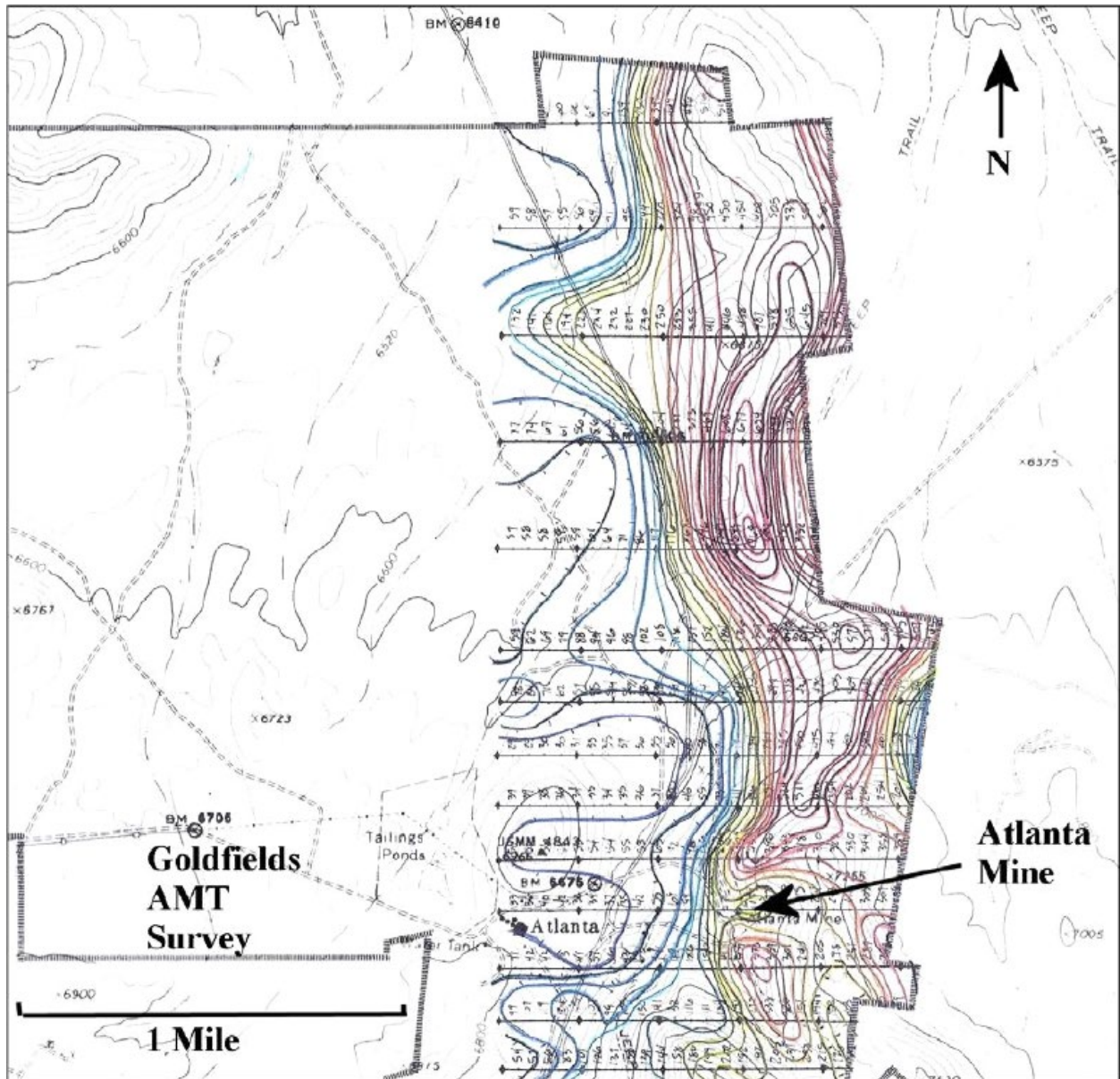


Figure 5: Gold Fields AMT Survey

Type and Extent of Historic Drilling

First recorded development and mining was recorded in 1906. During this period, when the property was owned by Atlanta Consolidated Gold Mining Company, “400-foot shaft and a series of crosscuts at the 100 foot and 200-foot levels were driven in a search for high grade ore shoots (Durgin, 2012).” These shafts and cross cuts no longer remain as they were developed in the area of the current Atlanta Pit, and have since been removed as part of pit mining.

Procedures on Historic Drilling

Most historical drill holes were downhole surveyed on 50-foot increments. Goldfields surveyed non-vertical holes at their top and bottom and 39 vertical holes are unsurveyed. Unsurveyed

Kinross holes have a 1.5 degree per 100 feet adjustment applied to them based on review of survey database and averaged 700 feet deep. DHRI holes were surveyed on 50-foot increments. 22 vertical holes (21 rotary and 1 core hole) averaging 867 feet are unsurveyed.

Results of Historic Drilling

A summary of historical drilling is provided in Table 2. 'NA' indicates that there is insufficient data to use any drillholes in these campaigns in the estimation. For some historical campaigns, only partial information was available. All available information was considered.

Table 2: Summary of Historical Drilling Used

Drilling Program	Drilling Dates	Drillhole Database (Note 1)		All Drilling (Note 2)		Drilling Method
		No. DHs	Length (ft)	No. DHs	Length (ft)	
OME	1971	NA	NA	4	1,680	NA
Bobcat / Standard Slag	1977 – 1990	128	29,392	183	38,321	RC
Exxon	1980	NA	NA	1	2,435	NA
Gold Fields	1990 – 1991	82	56,021	82	56,021	Core, RC
Chief	1996	1	1,072	1	1,072	Core
Kinross	1997 – 1998	78	54,555	80	54,345	RC
Cordilleran Exploration	2000 – 2001	NA	NA	5	2,782	NA

Abbreviations: NA = data not available; RC = Reverse Calculation.

Sample Preparation and Assaying Methods of Historic Sampling

While sample intervals of historical RC sample ranged from 1 to 40 feet, the most common sample interval was 5 feet. Based on the review of assayed intervals, the drilling recoveries of Standard Slag and Bobcat, Bobcat, and Gold Fields were acceptable.

Description of sampling methods of historical RC drilling is adapted from Durgin (2012). “Cuttings from historical dry RC drilling were collected in then divided using a riffle splitter into 2 fractions. Samples were submitted to the laboratory for gold assay; the split sample was either retained for reference or submitted for duplicate analysis.”

Description of sampling methods of historical core drilling is adapted from Durgin (2012). “Historical core samples were stored in boxes. Recovered cores are split using a core saw or hydraulic splitter with one half of the core submitted for laboratory analysis and one half retained for reference.

“Assay certificates for the work done prior to 1997 are only partially available. Assay certificates prepared by Chemex (now ALS Minerals) are available from the work done by Kinross Gold in 1997 and 1998.”

The Kinross report dated 12/22/98 discusses the Standard Slag assay data provided by Golden Chief Mining. Many of the Bobcat drill holes are reported to two decimal places with the same value repeated over several intervals. Additionally, there are long runs of 0.001 opt, assumed to

be a below detection limit value. Kinross concluded that these data was questionable but similar enough to use for modeling.

Testing Laboratories

There is no data in the records of sampling within the historical underground mine workings, and this material has been mined out in the Atlanta Pit. The database does not include information from grade control or blasthole sampling from mining in the Atlanta pit.

Quality Assurance and Quality Control

The geologic database consists of a combination of historical and post 2011 drillhole data directed by Meadow Bay Gold, previous owner of DHRI. DHRI's exploration campaigns focused on confirmation of the historical drillhole database, along with holes to extend mineralization down-dip to the west of the historical pit. DHRI drilling has been effective in confirming the historical database and demonstrating the data to be appropriate for estimation of mineral resources.

Interpretation

Based on comparison of historical data with modern drilling information, the Technical Report concludes that the historical database can be verified using the modern data, and that it is suitable for resource estimation. The best grades, thicknesses, and continuity of mineralization encountered to date are in the immediate vicinity of the historical Atlanta pit.

The Technical Report has interpreted the significant gold-bearing lithologies to include the silicified breccia and porphyry; these lithologies are therefore retained for resource estimation. Drill coverage in the vicinity of the Atlanta pit is sufficient to allow the estimation of measured, indicated and inferred gold and silver resources.

While these data can be considered for internal planning and geological modeling, they are not understood well enough for estimation of grades for NI43-101 compliant resources.

The historical and current data are adequate for the purposes of preparing the Technical Report (excluding those programs identified in Table 2). Historical assay data is consistent with the current assay data. Current data is subjected to ongoing data checks.

Historic Mineral Resource and Reserve Estimates

Bobcat and Kinross prepared resource estimates in 1992 and 1998, respectively: these estimates were completed prior to promulgation of NI 43-101 standards in 2001 and are not expected to meet NI 43-101 requirements. The historical resource estimates are provided in Table 3.

Table 3: Historical Resource Estimate

Source of Information	Measured (x000)			Indicated (x000)			Inferred (x000)			Tailings (x000)		
	Tons	Gold (oz)	Silver (oz)	Tons	Gold (oz)	Silver (oz)	Tons	Gold (oz)	Silver (oz)	Tons	Gold (oz)	Silver (oz)
Prochnau (1992)	2,467	216	3,145	888	38	71	460	32	488	1,575	23	1,393
Kinross (1998)	-	-	-	6,213	339	3,142	3,066	126	723	-	-	-

Notes: (1) The Prochnau resource estimate is reported at a 0.03 opt gold equivalent cutoff grade.
(2) Kinross' resource estimate is based on a 0.02 opt gold cutoff grade.

The resource estimates as summarized in Table 3 are not compliant with current NI 43-101 standards, have not been independently verified, are not relevant to the mineral resource estimate presented in the Technical Report and have not being relied upon by DHRI. The mineral resource categories applied to the historical resource estimates may not comply with currently recognized mineral resource categories as defined by CIM, and they are not suitable for more than gross comparison with the resource estimate presented herein. The historical mineral resource estimates are presented here simply to provide historical perspective regarding the range of estimates produced using different data, methods, and assumptions, and no relationship with the current mineral resource estimate is meant to be implied.

Historic Production

Historically, material from the Project was processed by crushing, milling, and agitated cyanide leach. Anecdotal recovery information is available, but with little clear data support. It is believed that only silicified breccia SBX material was processed historically, so the mineralized porphyry intrusive is not represented in the historical recovery information.

GEOLOGIC SETTING AND MINERALIZATION

Regional Geology

The Property is located in the Basin and Range geological province that covers the area from the Sierra Nevada range west of Reno to the Wasatch Front east of Salt Lake City, Utah, and from southern Idaho into northern Sonora, Mexico. The Basin and Range topography was created by mid- to late-tertiary extensional tectonics, producing a series of roughly north-south oriented, fault-bounded mountain ranges separated by basins filled with thick accumulations of younger sediments and volcanic rocks. Topographic relief varies across the Basin and Range, from 1,500 feet to in excess of 5,000 vertical feet. Stratigraphy in this portion of eastern Nevada is composed largely of thick Paleozoic carbonate units with some quartzite and Tertiary intermediate to felsic volcanic units, as shown on Figure 6.

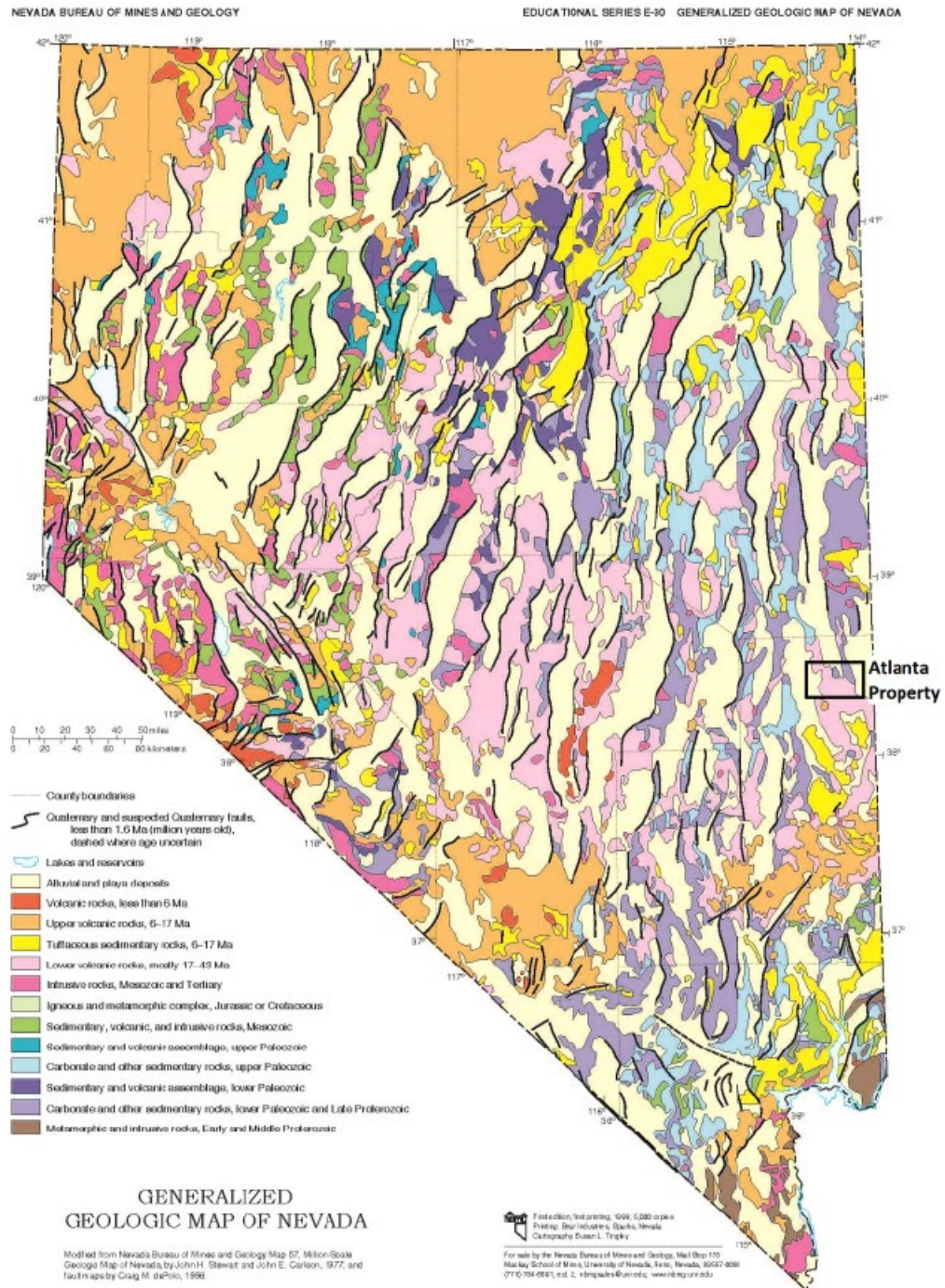


Figure 6: Geological Map of Nevada

Property Geology

Gold mineralization at the Atlanta project is localized along the NNW-SSE trending, W-dipping Atlanta normal fault separating the Tertiary volcanic rocks on the west from the Ordovician

sediments on the east. A roughly east-west trending fault zone cuts the Atlanta fault and is also strongly mineralized.

A portion of the brecciated, silicified Atlanta fault zone is exposed in the upper northern portion of the Atlanta pit. The exposure shows that the silicified fault zone has been eroded and that the overlying Tertiary volcanics were deposited on the erosional surface. It is interpreted that portions of the mineralized porphyritic intrusive may have also been eroded after deposition.

Mineralization within the overlying Tertiary volcanics and volcaniclastics is limited in scale and it does not contribute materially to the deposit.

A thrust fault just south of the Atlanta Pit places Ordovician sedimentary rocks, principally Eureka and Pogonip formations, above the Tertiary rhyolites. This material is generally south of the E-W trending mineralized secondary fault zone and has not been shown to contain mineralization.

Local Lithology

The Property lies at the northern end of the Wilson Creek Range, as shown on Figure 7. The core of the range is composed of Ordovician Pogonip Limestone, Eureka Quartzite and Ely Springs Dolomite. Tertiary volcanic, volcaniclastic and intrusive rocks lie to the west of the range front. These are primarily felsic to intermediate in composition. The Tertiary and Paleozoic units are in structural contact with the volcanics in the hanging-wall and the sediments in the footwall. The Atlanta Fault strikes NNW-SSE and dips between 50 to 70 degrees to the west. Sub-surface modelling indicates that there may be some late-stage normal faulting which offsets the Atlanta fault at depth.

There is a distinctive pale grey porphyritic unit which has intruded sections of the Atlanta normal fault, which is probably contemporaneous with the later stage fault movement and mineralization, and certainly predates the non-mineralized Tertiary material in the hanging-wall.

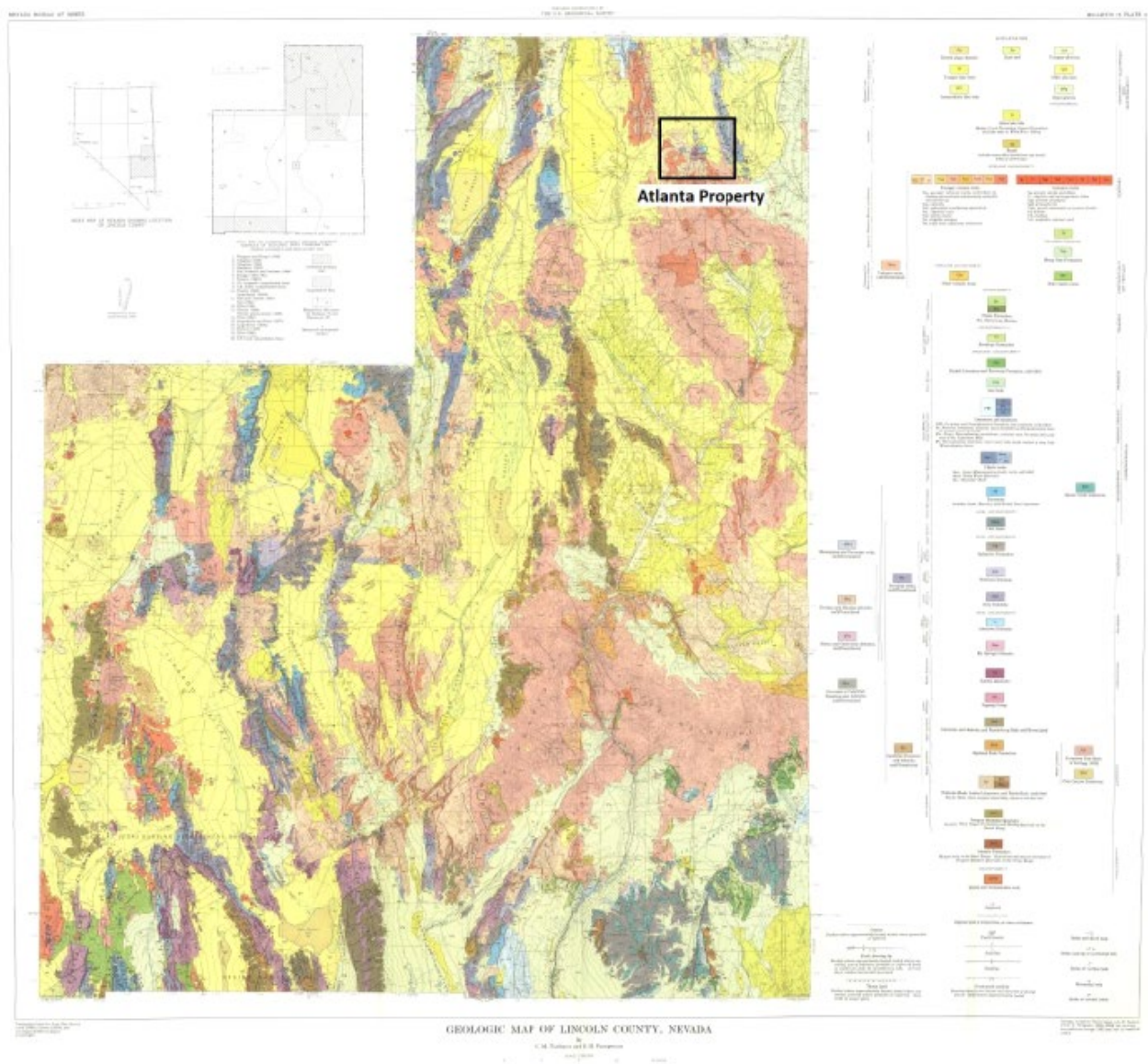


Figure 7: Geological Map of Lincoln County, Nevada

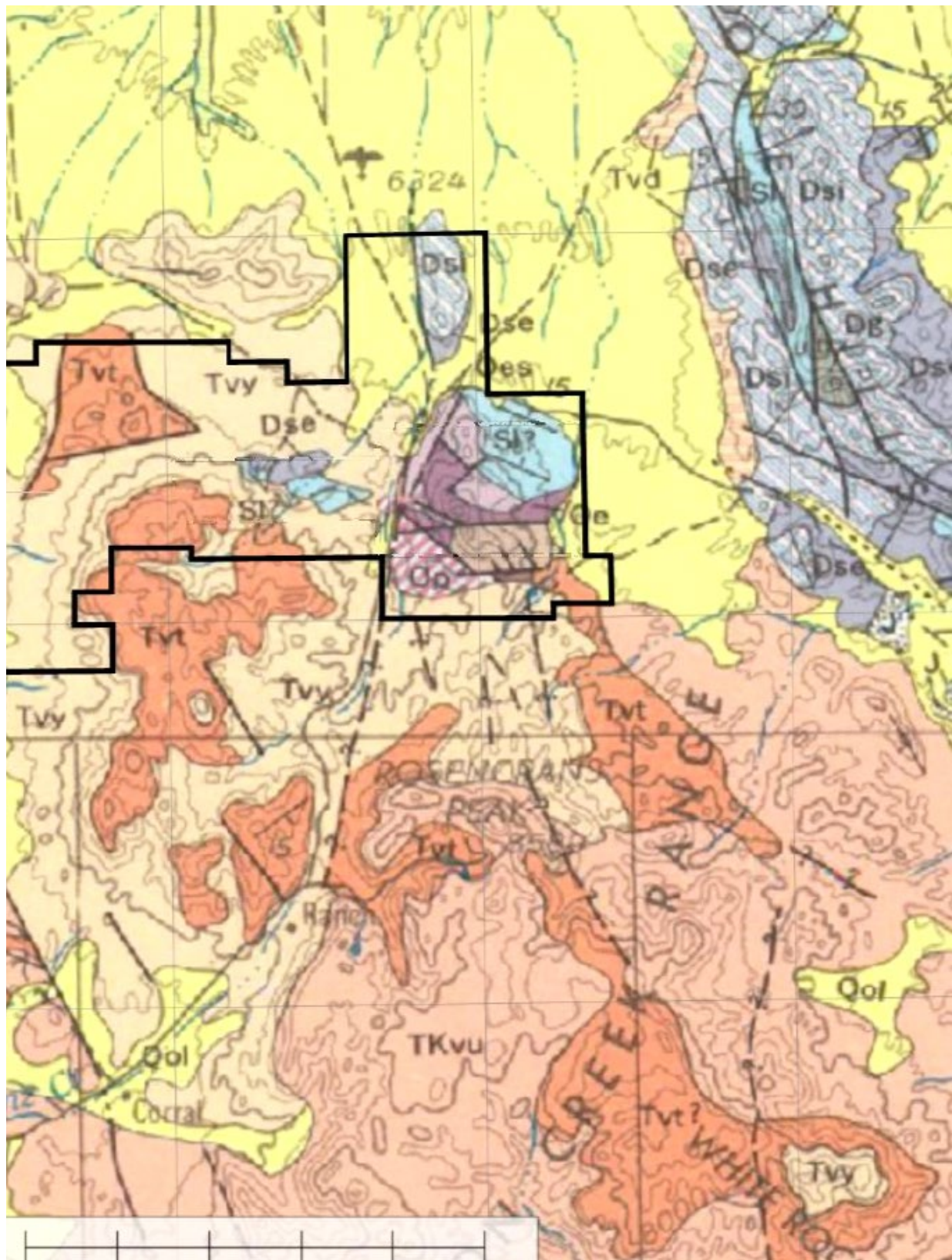


Figure 8: Geology Detail of the Atlanta District



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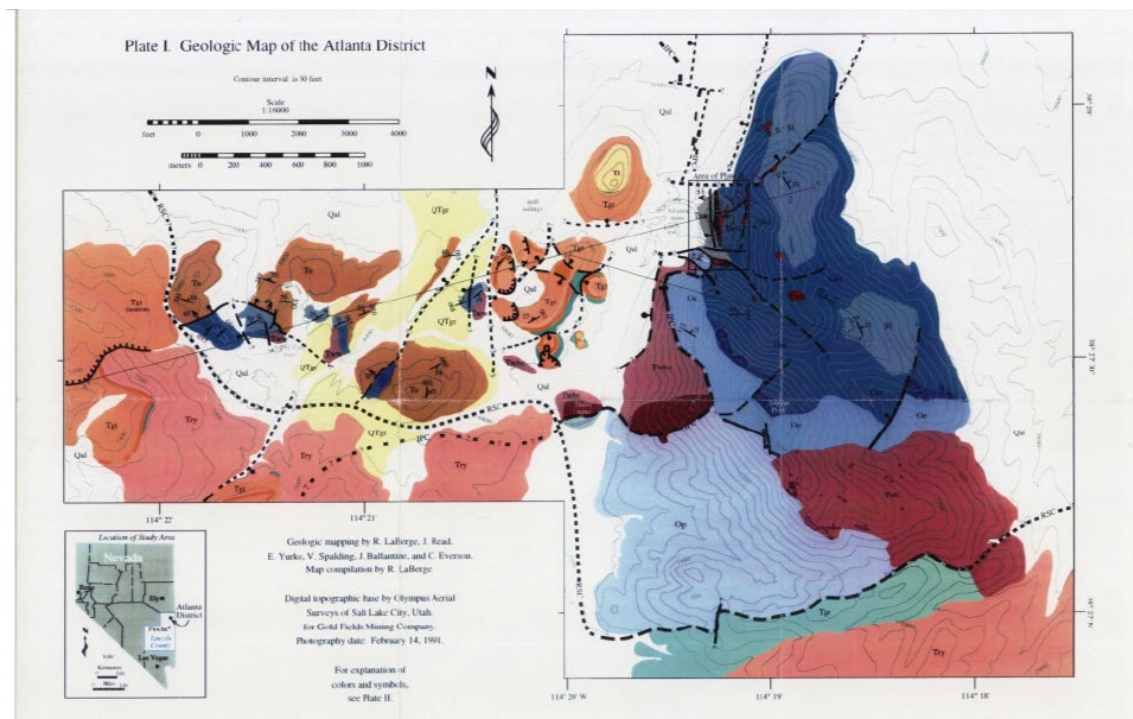


Figure 10: Atlanta District Geology Plat I

Plate II. Geologic Map of the Atlanta Mine and Legend

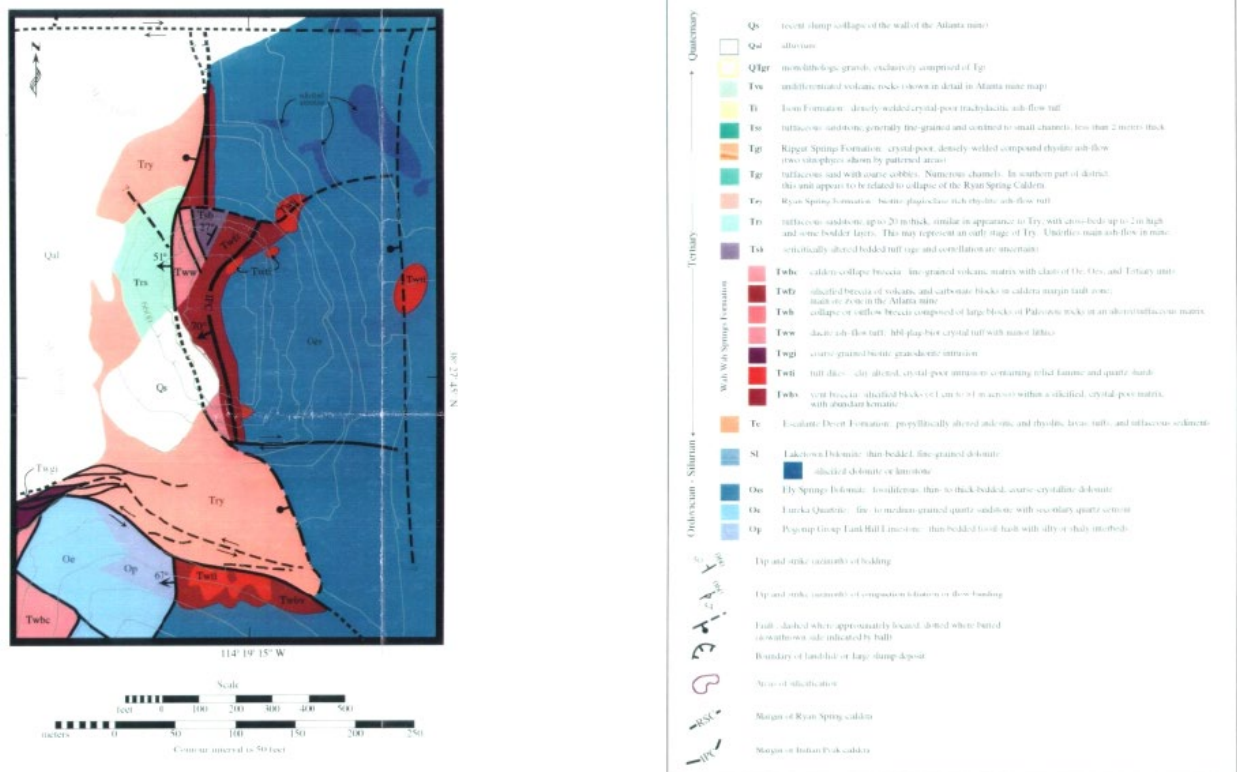


Figure 11: Atlanta District Geology Plat II

Alteration

Where present, the porphyritic intrusive within the Atlanta fault shows pervasive argillic alteration and presence of fine-grained sulfides, particularly on mineral boundaries and in veins and veinlets. The porphyry is exposed in the southwestern depths of the pit, but there is no indication that this material was recognized or processed in the historical mining.

Structure

Gold and silver mineralization at the Property is hosted in or adjacent to Tertiary fault zones that cut Paleozoic sedimentary rocks and Tertiary volcanic and intrusive rocks. The highest-grade gold and silver mineralization are associated with strongly silicified, brecciated Paleozoic carbonate rocks. Mineralization is also associated with primarily argillicly-altered Tertiary felsic intrusive rocks. A felsic quartz feldspar porphyry is interpreted to have intruded along the pre-mineral fault zones and was altered and mineralized.

The mineralization occurred during the Eocene. Hydrothermal fluids were primarily channeled along the normal Atlanta fault and to a lesser extent along a NW-trending high-angle fault with probable right-lateral displacement. Mineralization may be terminated to the south by an east-west fault.

The E-W zone is a crosscutting structural zone which has also been demonstrated to contain mineralization. This zone is modelled by implicit modeling of grades proximal to the interpreted plane of the structure.

Mineralization

The bulk of the currently known mineralization occurs within brecciated, silicified, sedimentary rocks in the Atlanta fault zone, as well as in a fine-grained porphyritic intrusive which occupies portions of the fault zone. Brecciation during movement along the fault coupled with pervasive silicification has produced extensive, complex, jasperoid breccias with variable thicknesses up to 100 feet.

A second mineralized breccia is present along the cross-cutting east-west fault zone. The breccias were the principal ore hosts at the Atlanta Mine, and the intersection of the east-west fault zone and the Atlanta fault was the primary target of the historical exploration and mine development.

The highest potential for economic mineralization would appear to be near-surface extensions of existing mineralization to the north of the Atlanta pit, as mineralization in this area would have relatively low stripping ratios and thus more easily meet the 'reasonable prospects' test. Additionally, northwest-trending structures, some that appear to enhance mineralization within the historical pit, extend outside of current drilling and represent a significant opportunity for exploration.

DEPOSIT TYPE

Geological Model

Because of the complexity of the breccia mineralization and the mineralized porphyry within the Atlanta Fault, the current resource estimate models both the breccia and the porphyry in a single

geologic zone. The zone footwall and hanging wall intersections are defined by a combination of geologic logging and assay data, and the intersections of hanging wall and footwall are combined in Leapfrog software to form a single estimation domain.

The E-W zone is a crosscutting structural zone which has also been demonstrated to contain mineralization. This zone is modelled by implicit modeling of grades proximal to the interpreted plane of the structure.

In the future, it may be useful to differentiate the mineralized porphyry from the silicified breccia material in the Atlanta Fault, particularly as the two material types may exhibit different metallurgical recoveries, and because the significant differences in material type are likely to drive differences in process costs. Accordingly, it is recommended that for the next resource update, an updated geological model be constructed which allows for differentiation of the two material types.

EXPLORATION

This section describes exploration geophysical and geochemical surveys that have been completed by DHRI. DHRI has not conducted exploration drilling outside the area permitted in the Notice of Intent. An Induced Polarization survey was conducted on the property, primarily outside the area of the Atlanta pit. These data address a separate exploration area to the west of the Atlanta resource area and are not included in the Technical Report.

Ground Magnetic Survey

In October 2011, DHRI contracted Quantec Geoscience Limited (Quantec) to conduct total field ground magnetic surveys. The purpose of the ground magnetic survey was to confirm the results of Gold Field's work, namely, the low magnetic signal identified at and north of the Atlanta Mine, potentially indicative of mineralization; and survey an area west of the Atlanta Mine.

Ground magnetic survey was conducted in two areas:

Area 1 - north and west of the open pit mine, along the projection of the Atlanta Fault. Area 1 is an area that is approximately 18,700 feet in a north-south direction and up to 5,900 feet in the east-west direction.

Area 2 - south and west of the open pit mine. Area 2 is an area that is 8,500 feet in the north-south direction, and 9,200 feet in an east-west direction. Area 2 is outside the current Atlanta Resource area.

The ground magnetic survey was conducted using GEM-10 walking and base station receivers. Survey lines were oriented in the east-west direction, with line spacing of 328 feet (100 meters). Measurements were recorded at 2 second intervals. At such a space interval, in Area 1, ground magnetic survey was conducted along 57 lines, for a total of 54-line miles (as shown on Figure 11).

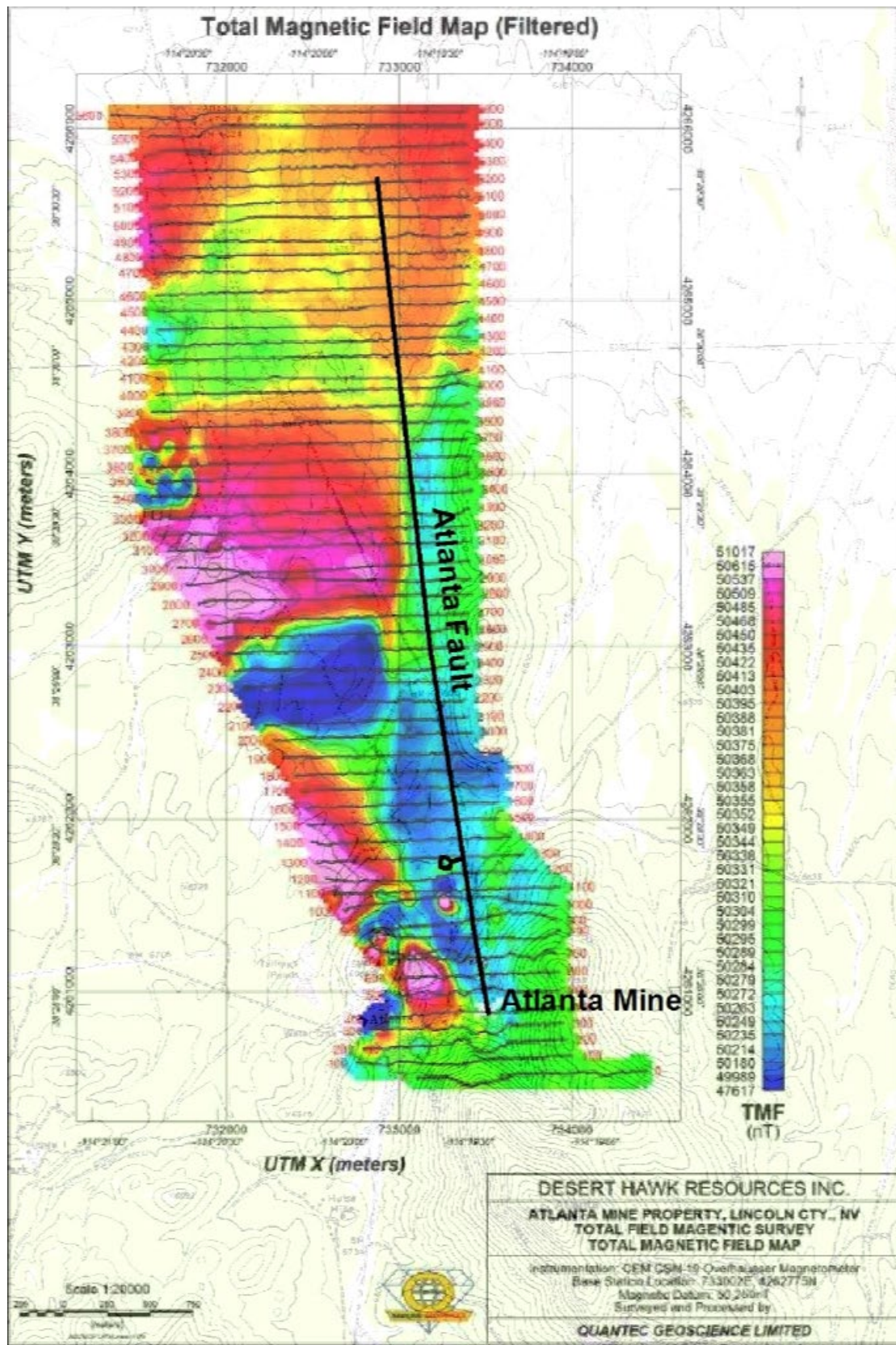


Figure 12: Ground Magnetic Survey Results, Area 1

The DHRI ground magnetic survey corresponds relatively well with the Gold Fields ground magnetic survey, and both show a linear NNW trending magnetic low about 150 meters north of the Atlanta pit and a larger magnetic low about 2000 meters to the NW. As shown on Figure 12, the postulated extension of the Atlanta fault NNW of the pit passes along the east side of the magnetic low approximately 150 meters north of the pit. The magnetic low in this area and in the area of the pit may be due to highly altered rocks adjacent to the Atlanta fault.

Surface Sampling

Through 2011, DHRI conducted grid soil sampling in a 3 square-mile area located in the northwestern portion of the Western Knolls area and the adjacent PEG claim area. Meadow Bay collected a total of 2,848 soil samples along 43 lines spaced 330 feet apart, on a 100-foot interval along the lines.

During Spring 2012, over 450 rock chip samples were collected across the Western Knolls in areas of soil geochemical anomalies and where sufficient outcrops of silicified, brecciated and iron-stained volcanic rocks were identified. The sampling focused on potential high-grade surface features to help understand the underlying hydrothermal system and should not be considered representative. All soil and rock chip samples were sent to ALS Minerals in Elko, Nevada, for 41-element ICP-MS analysis.

The soil and rock chip sampling yielded multiple areas with gold, silver, arsenic, and antimony anomalies.

Sampling in the Western Knolls area is outside the area of the Atlanta Resource, and none of these data are included in the current resource estimation.

Samples in Mine Workings

There is no data in the records of sampling within the historical underground mine workings, and this material has been mined out in the Atlanta Pit. The database does not include information from grade control or blasthole sampling from mining in the Atlanta pit.

DHRI has conducted limited rock chip channel sampling in the northern pit wall, where the face can be safely accessed. This sampling outlines a narrow area of mineralization at the western end of the line in the lower portion of the silicified breccia zone, along with samples across altered Paleozoic basement showing weakly anomalous gold grades. Data from this sample line is used in the resource model to limit projection of mineralization into the basement rocks below the Atlanta fault, but is not used for estimation of block grades.

Significant Results and Interpretation

Ground magnetic results indicate zones of linear magnetic low anomalies coincident with the Atlanta fault in the pit area and along the probable extension of the Atlanta fault along strike to the north. The magnetic low anomalies in these areas may be due to highly altered rocks adjacent to the Atlanta fault.

DRILLING

Scope of Drilling

A combination of historical and recent drilling is used for the mineral resource estimate. All Drilling done prior to 2011 is considered historical drilling. Recent drilling by DHRI was done in 3 campaigns, which is detailed in Table 4. The 2011 Campaign consists of 20 core holes and 16 reverse circulation holes. The 2012 Campaign totaled 4 reverse circulation holes and the 2015 Campaign consisted of 6 reverse circulation holes. A table showing collar coordinates, azimuth and dip for historical and DHRI drill holes is provided in Appendix C of the Technical Report.

Drilling Methods

DHRI contracted RC drilling to Layne Drilling, National Exploration Wells Pumps and Kirkness Diamond Drilling. RC drilling was conducted using water as a drilling fluid.

Core drilling was completed by Kirkness Diamond Drilling using an Atlas Copco CS-14 core drill. Recovered drill core are stored in boxes and photographed. Rock quality designation (RQD) and lithology are logged.

In 2015, Layne Christensen Company of Chandler, Arizona, completed the holes using an Ingersoll Rand TH-75 drill. Assays were performed by ALS Minerals of Vancouver BC, with sample preparation at its Elko, Nevada facility. The insertion of standards, blanks and duplicates as well as logging was conducted by Meadow Bay personnel at the Atlanta mine site.

DHRI geologists Mr. Richard Dorman and Dr. Douglas Oliver oversaw the drilling and logged the core.

Recovery data are available for core drilled holes and is provided in Table 4. Drill logs for the reverse circulation holes do not provide information on recovery. Based on acceptable recoveries on the core holes all DHRI drill holes were retained for evaluation.

For the 2012 and 2015 drill campaigns, no samples assayed the upper portion of the Tertiary volcanics, based on the interpretation that mineralization is constrained to the Atlanta fault SBX and porphyry material. The non-assayed portions of these drillholes are treated as having zero grade.

Table 4: Summary of Historical Drilling Used

Borehole ID	Borehole Total Depth (ft)	Intervals Not Assayed From To		Drill Hole % Recovery
2011 Campaign – Core Holes				
DHRI-11-01C	404	400	404	95%
DHRI-11-02C	593	500	593	93%
DHRI-11-03C	575	560	575	95%
DHRI-11-04C	1043	1040	1043	93%
DHRI-11-06C	1000	40 90 970	60 100 1000	80%
DHRI-11-07C	961	960	961	78%
DHRI-11-08C	530	None Applicable		87%
DHRI-11-09C	1625	945	1625	93%
DHRI-11-10C	528	None Applicable		91%
DHRI-11-11C	1468	0 1466	46 1468	88%
DHRI-11-12C	1058	None Applicable		92%
DHRI-11-13C	717.5	None Applicable		94%
DHRI-11-14C	1630	570	1625	83%
DHRI-11-15C	1625	0 1150	70 1625	82%
DHRI-11-16C	552	500	552	83%
DHRI-11-17C	578	None Applicable		83%
DHRI-11-18C	894.5	0 894.44	604.44	87%
DHRI-11-19C	1711	0 1707	107 1711	90%
DHRI-11-20C	1048	0	110	94%
DHRI-11-21C	1188	0 1185	95 1188	93%
2011 Campaign – RC Holes				
DHRI-11-03RC	500	493.35	500	
DHRI-11-04RC	485	None Applicable		
DHRI-11-05RC	340	337	340	
DHRI-11-06RC	320	192.42 212.42	202.42 232.42	
DHRI-11-07RC	355	351.62	355	
DHRI-11-08RC	510	166.22	176.22	
DHRI-11-09RC	700	NA		
DHRI-11-10RC	500	480.15	490.15	
DHRI-11-11RC	470	466.34	470	
DHRI-11-RCN01	1110	None Applicable		
DHRI-11-RCN02	1115	None Applicable		
DHRI-11-RCN03	1240	795.67 1065.67	855.67 1075.67	
DHRI-11-RCN04	1265	1260.14	1265	
DHRI-11-RCN05	1300	None Applicable		
DHRI-11-RCN06	1220	1023.75 1093.75	1073.75 1143.75	
DHRI-11-RCN07	1560	None Applicable		
2012 Campaign – RC Holes				
DHRI-12-MRC01	1145	0	800	
DHRI-12-MRC02	890	0	600	
DHRI-12-MRC03	1045	0	600	
DHRI-12-MRC04	980	0	600	
2015 Campaign – RC Holes				
DHRI-15-LRC01	1065	0	600	

Borehole ID	Borehole Total Depth (ft)	Intervals Not Assayed		Drill Hole % Recovery
		From	To	
DHRI-15-LRC02	1300	0	800	
DHRI-15-LRC03	1100	0	750	
DHRI-15-LRC04	1065	0	800	
DHRI-15-LRC05	1455	0	700	
DHRI-15-LRC06	1325	0	890	

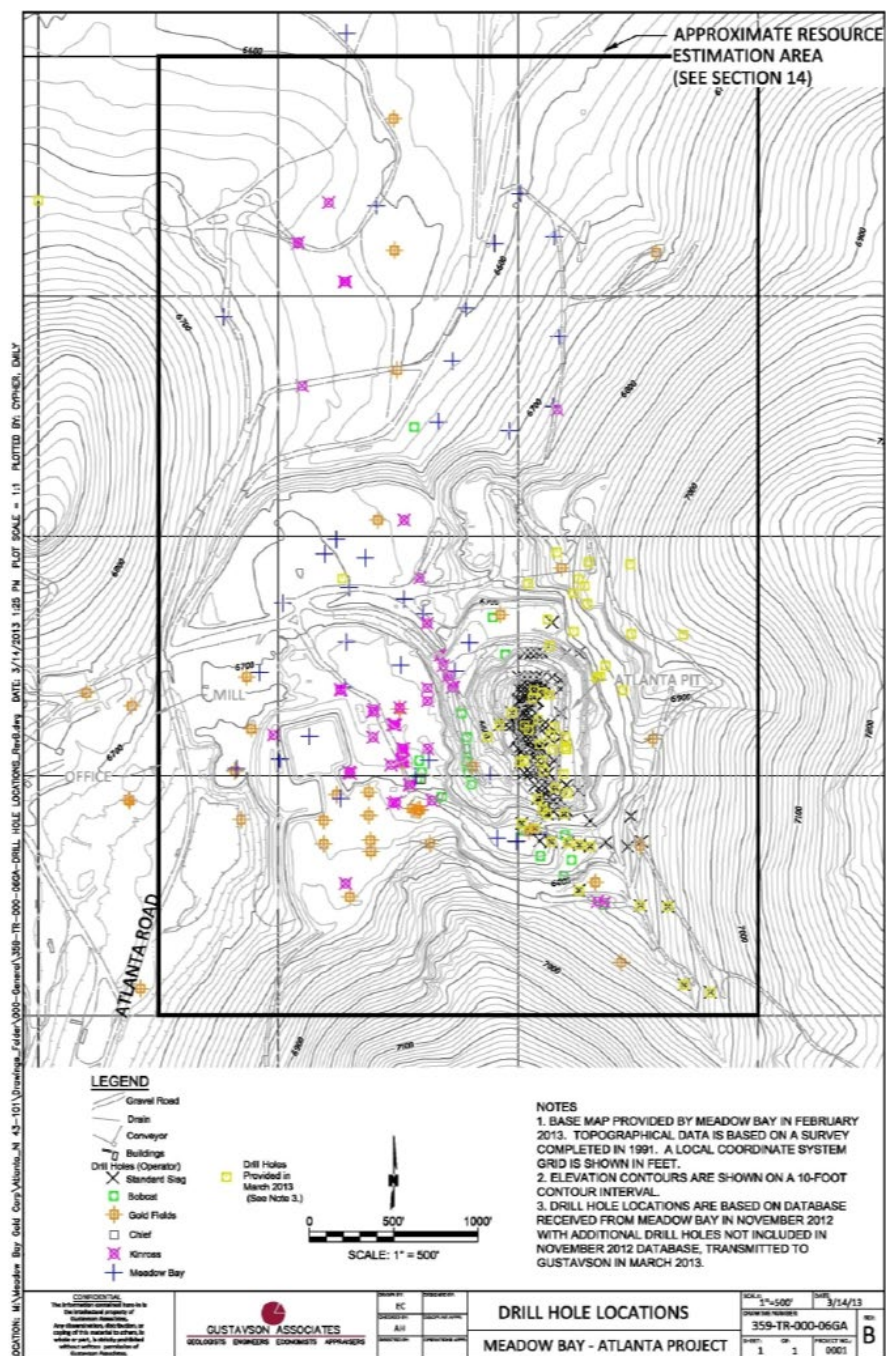


Figure 13: Drilling Locations

SAMPLE PREPARATION, ANALYSES AND SECURITY

DHRI's RC drilling was completed by Layne, National and Kirkness. Chip trays were filled on-site from each 5-foot assay interval by the respective drill crews. One sample from each 5-foot interval was submitted to ALS for analysis. Bulk rejects were retained from ALS for all RC samples.

DHRI's core drilling was completed by Kirkness. Recovered cores were split into two equal portions: one half is submitted for laboratory assay, and the other half is submitted for duplicate samples on a 2% (one duplicate per 50 samples) interval. Remaining core material is stored on site in a dedicated core storage facility and is available for study. For resource estimation, DHRI provided a database containing DHRI drilling data and historical drilling. Data has been received for 337 drill holes from 7 drilling programs, as summarized in Table 5.

DATA VERIFICATION

The author of the Technical Report was provided with Microsoft Excel workbook files for 47 drill holes. Three DHRI drill holes were abandoned prior to completion with no geological or assay data collected (DHRI-11-05C, DHRI-11RC01, and DHRI-11-RC02) and were not included in the estimation of mineral resources.

Generally, data for one drill hole are provided in a Microsoft Excel workbook, with separate tabs for the geologic data, collar, assay, and/or survey data. The drill hole data format as provided was not organized in a format for modeling. For modeling purposes, drill hole data were organized in four consolidated comma delimited files (Atlanta_collar.csv, Atlanta_survey.csv, Atlanta_assay.csv, and Atlanta_geology.csv). The Technical Report compiled the data from numerous files into the consolidated file format required for geologic modeling and estimation of the mineral resources.

In review of the data completeness, an assay certificate for DHRI-11-RC02 was identified. The certificate represents assays within the historical dumps on the property and was not relevant to the mineral resources contained within the Technical Report, as no estimate of grades within the historical dumps, tailings, or leach pads was completed.

In review of data, the Technical Report identified intervals where no assay data were available. The missing assay intervals have been split into three groups; not sampled, not assayed, and missing. Not sampled intervals represent intervals that no sample was collected and are treated as a missing interval. Not assayed intervals represent intervals where a sample has been collected but was not submitted for assay results and was treated as below detection limit (0.0025 g/t gold and 2.5 g/t silver). Finally, missing intervals are samples that were reported by the laboratory as empty bag or missing and are treated as a missing interval.

Depending on the inclination of the drill hole and the dip of mineralization, drill intercept widths are greater than true widths for the SBX unit and likely to equivalent to true thickness in porphyry mineralization although more work is necessary to confirm. See Figure 14 for a typical cross section illustrating the comparison of mineralization relative to drill hole inclination. See Figure 15 for a typical cross section showing relationship of drill hole inclination relative to geology.

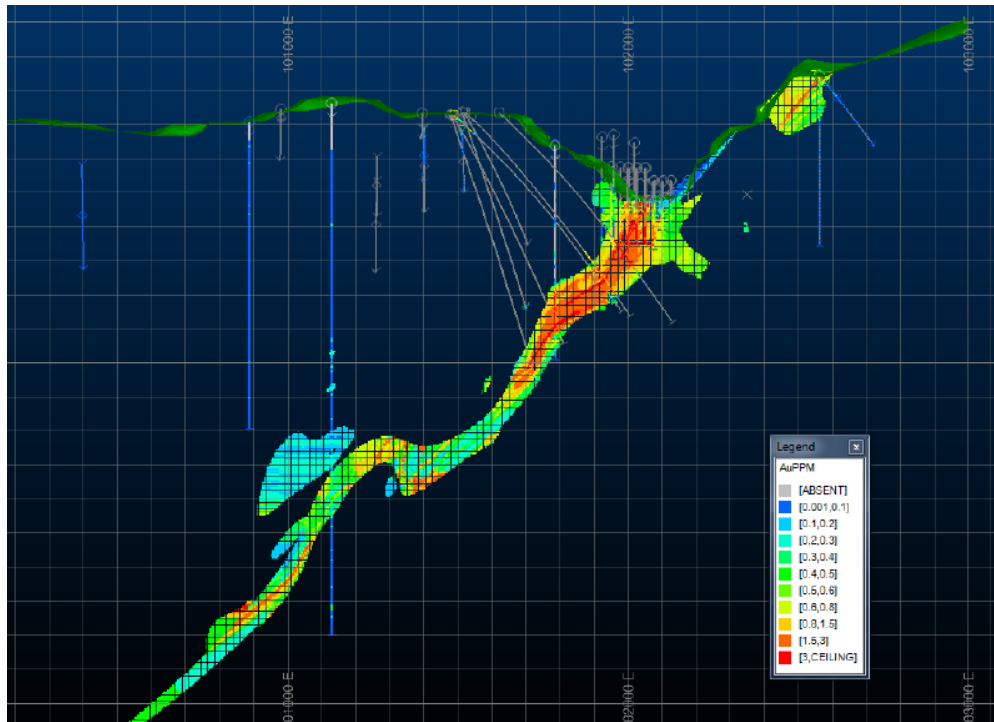


Figure 14: Cross Section Looking North, Showing Drill Hole Intersections, Topography, and Estimated Gold Grades

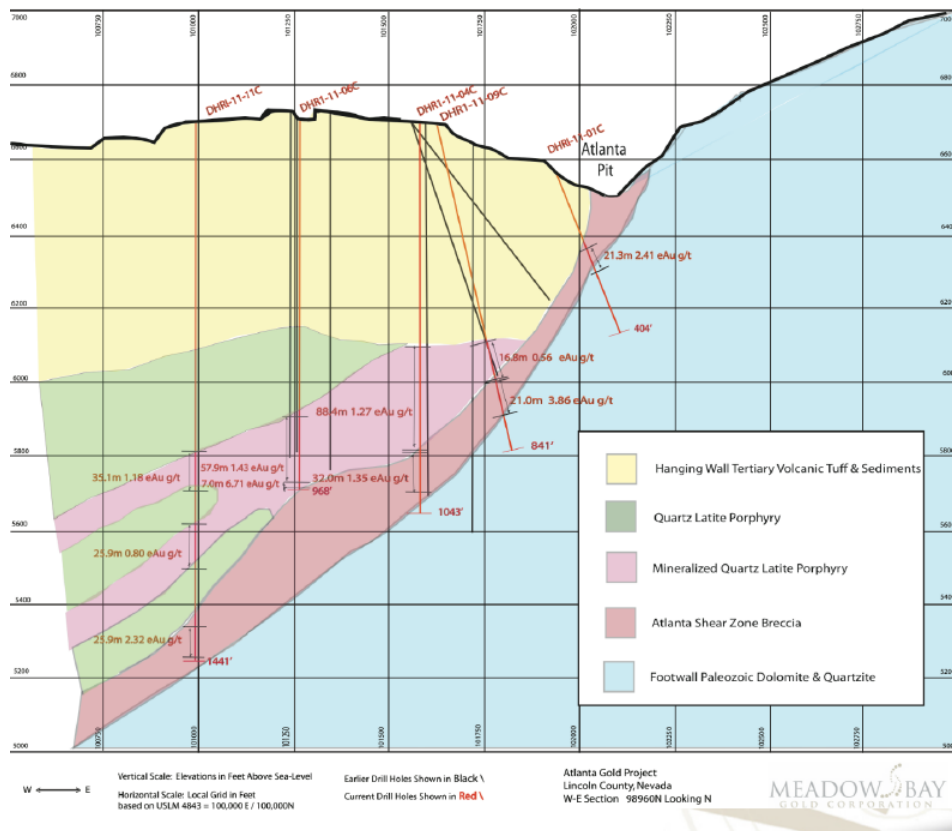


Figure 15: Cross Section Looking North, Showing Drill Hole Inclination Relative to Geology

Quality Control Measures and Procedures

All technical information for the Project is obtained and reported under a formal quality assurance and quality control (“QA/QC”) program. The QA/QC program employed for this drill program includes monitoring the results of blind duplicate samples inserted into the sample stream at a frequency of 2%, certified standard reference samples inserted at a frequency of 1% to 5%, and blank samples inserted at a frequency of at least 1%.

This QA/QC program meets with CIM Best Practices Guidelines and National Instrument 43-101 standards of Disclosure. The program is designed to suit the Project and is guided by the level of confidence in the laboratory, anticipated grades in samples, distribution of mineralization, geology and other factors.

Sample Security and Transportation

The security of samples is a major component of the sampling process. The collection, packaging, transport and receipt of samples are conducted under a strict and traceable chain of custody. During the site visit for the 2012 resource report, the author of the Technical Report observed core drilling procedures and personally took 6 independent core samples. The core remained in the author’s possession or observation during logging and sample sawing and bagging preparation. The samples were personally delivered by the author to the ALS Minerals laboratory in Elko, Nevada. This independent sampling has verified that there is significant gold mineralization in the system in drill intervals that correspond with DHRI’s designated altered/mineralized lithologic units.

Sample Photography

Core drilling was completed by Kirkness Diamond Drilling using an Atlas Copco CS-14 core drill. Recovered drill core are stored in boxes and photographed. Rock quality designation (RQD) and lithology are logged.

Sample Analysis

For resource estimation, DHRI provided a database containing DHRI drilling data and historical drilling. Data has been received for 337 drill holes from 7 drilling programs, as summarized in Table 5. DHRI’s November 9, 2012 database files contained 5,672 samples that were assayed by ALS Minerals in Reno, Nevada. ALS is a well recognized, commercial laboratory. During 2011-2012, ALS laboratories were registered to ISO 9001:2008, and a number of analytical facilities had received ISO 17025 accreditations for specific laboratory procedures.

ALS (1) dried samples, (2) crushed samples until 70% of the sample passes a 0.08-inch (2 millimeter) screen, and riffle split to a 9-ounce (250 gram) sample, and (3) the riffle split sample is further pulverized until 85% passes a Tyler 200 mesh (75-micron) screen. The sample is submitted for gold and silver assay by fire assay with gravimetric finish.

Table 5: Summary of Drill Hole Data Provided for Resource Estimate

Drilling Program	No. Drill Holes	Naming Convention	Contents in Drill Hole Database				Assay Certificate Available?
			Collar	Assay	Geology	Downhole Survey	
DHRI 2015	6	DHRI-15-LRC01 through 06	X	X	X	X	X
DHRI 2012	4	DHRI-12-MRC01 through 04	X	X	X	X	X
DHRI 2011	37	DHRI-11-01C through 21C DHRI-11-RC02 through 11 DHRI-11-RCN01 through 7	X	X	X	X	X
Historical Drilling Program							
Bobcat/ Standard Slag	128	Drill holes contain prefixes of 77-, 78-, 79A-, 80-, 81-, 82-, 83-, 85-, 86-, 88-, 90-, B77-, and N81-	X	X		X	
Chief	1	C96-08	X	X		X	
Goldfields	82	AC-01 through 5 AR-01 through 70 ARC-01 through 6	X	X	Available for 81 DHs	X	
Kinross	79	KN98-01 through 16 KR97-01 through 15 KR98-01 through 25 KS98-01 through 23	Available for 78 DHs	Available for 78 DHs	Available for 44 DHs	Available for 78 DHs	Available for 41 DHs
Total	337						

Quality Assurance and Quality Control

2011 Campaign Procedures

The QA/QC program employed for this drill program includes monitoring the results of blind duplicate samples inserted into the sample stream at a frequency of 2%, certified standard reference samples inserted at a frequency of 1% to 5%, and blank samples inserted at a frequency of at least 1%.

For the 2011 drill campaign, DHRI prepared standard samples using tailings and known gold and silver levels. Average gold grade in the standard sample was 0.29 ppm with a standard deviation of 0.085 ppm. For silver, the average grade was 19.86 ppm, with a standard deviation of 2.98 ppm. Standard sample detection was considered acceptable if it was detected within the average grade, plus or minus 2-times the standard deviation. A total of 54 standard samples, representing a frequency of 1%, were analyzed with gold grades ranging from less than 0.05 to 0.72 ppm, and silver grades ranging from less than 5 to 26 ppm. Gold detections outside the acceptance criterion were noted in 3 of the 54 standard samples and as a result, the samples associated with the subject standards were re-assayed. One silver standard was detected outside the acceptable criterion. Standards that exceed the acceptance criteria are re-analyzed at American Assay Laboratories, an ISO 17025:2005 certified facility. The Technical Report concludes that this acceptance criterion is acceptable.

The Technical Report notes that DHRI assayed 9 split sample duplicates, with gold and silver results shown on Figure 16 and Figure 17. The duplicate sample results are considered acceptable.

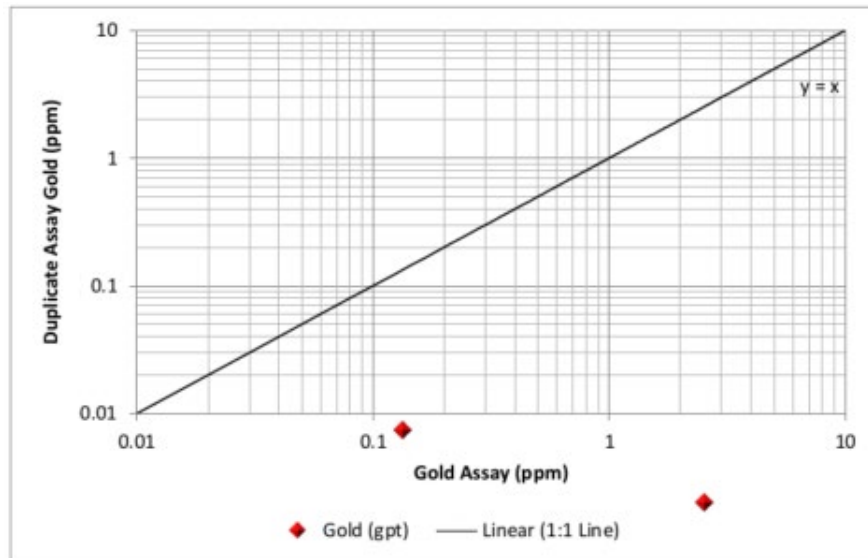


Figure 16: Gold Duplicate Analysis 2011

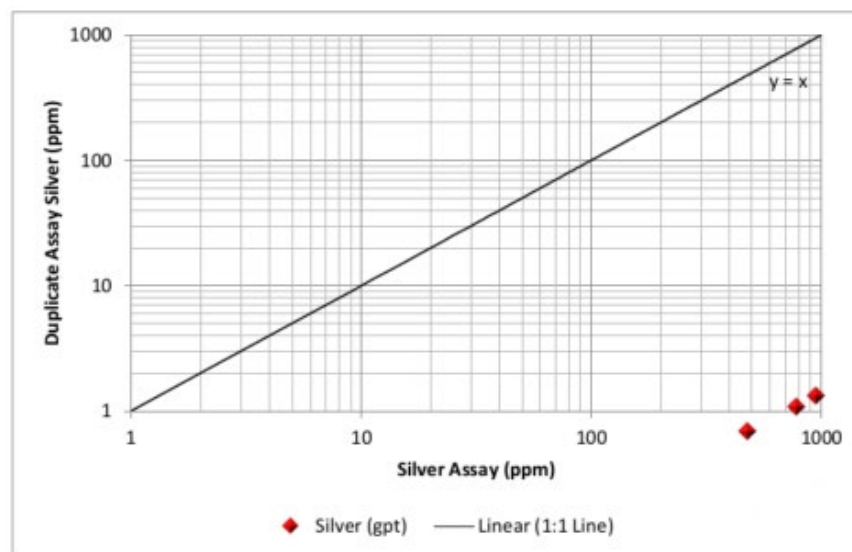


Figure 17: Silver Duplicate Analysis 2011

DHRI prepared blank samples using Isom formation rhyolite and limestone both collected from the Property, in the rock outcrops near the office building. A total of 74 blank samples (38 Isom formation rhyolite and 36 limestone blank samples) were analyzed. Gold and silver were either not detected or detected within 2-times the reporting limit of 0.05 and 5 opt for gold and silver, respectively. No detections outside the acceptance criteria were identified, and as such, no corrective action was taken. The Technical Report concludes that this acceptance criterion is acceptable.

2012 and 2015 Drill Program QA/QC

It appears that DHRI followed a similar QA/QC program to the 2011 campaign. However, the QA/QC data is incomplete. The Technical Report was only able to review QA/QC data for 5 out

of the 10 holes drilled in the 2012/2015 campaign and all 5 of the reviewed holes were drilled in 2015.

The Technical Report recommends that for future drilling campaigns, a system of standards and blanks be re-instituted to validate assay results. Ideally such a system should include at least one standard pulp per 25 samples submitted, and at least one coarse blank per 50 samples submitted, and particularly in zones expected to be highly mineralized. Standards are intended to monitor precision and bias in the assay procedure. Blanks are intended to monitor cleaning practices in sample preparation. The standards and blanks should be monitored by the exploration geology team as results are received, and if results fall outside the acceptable ranges established, at least 10 samples surrounding the failed standard should be re-analyzed to determine if there is systemic bias in the assay. Where blanks fall out of range, this may be the result of contamination in the sample preparation process and may require reassay of the interval using second split material.

The Technical Report further recommends that 4-5% of second split mineralized intervals from the 2012 drilling campaigns be submitted for check assay during the next drilling campaign, to provide independent confirmation of the assay results for these drilling campaigns.

For the 2015 drill campaign, DHRI prepared standard samples using tailings and known gold and silver levels. Two standards were used, the average gold grade in Standard A sample was 0.29 ppm with a standard deviation of 0.085 ppm. For silver, the average grade was 19.86 ppm, with a standard deviation of 2.98 ppm. Standard B was a commercially prepared standard with a gold grade of 1.24 ppm with a standard deviation of 0.08 ppm and a silver grade of 40.7 ppm with a standard deviation of 2.2 ppm.

Standard sample detection was considered acceptable if it was detected within the average grade, plus or minus 2-times the standard deviation. A total of 30 standard samples were analyzed with gold grades ranging from less than 0.05 to 0.72 ppm, and silver grades ranging from less than 5 to 26 ppm. Gold detections outside the acceptance criterion were noted in 3 of the 30 standard samples and as a result, the samples associated with the subject standards were re-assayed. Three silver standards were detected outside the acceptable criterion. There is no evidence that assays were re-run on standards that were outside acceptable criteria. The Technical Report recommends that the lab is notified immediately when a standard is outside acceptance criterion so that the particular batch can be re-run. The Technical Report concludes that this acceptance criterion is acceptable.

The Technical Report notes that DHRI assayed 29 split sample duplicates, with gold and silver results as shown on Figure 18 Gold Duplicate Analysis, 2015 and Figure 19 Silver Duplicate Analysis, 2015. Duplicates below detection limits are not shown. The duplicate sample results are considered acceptable.

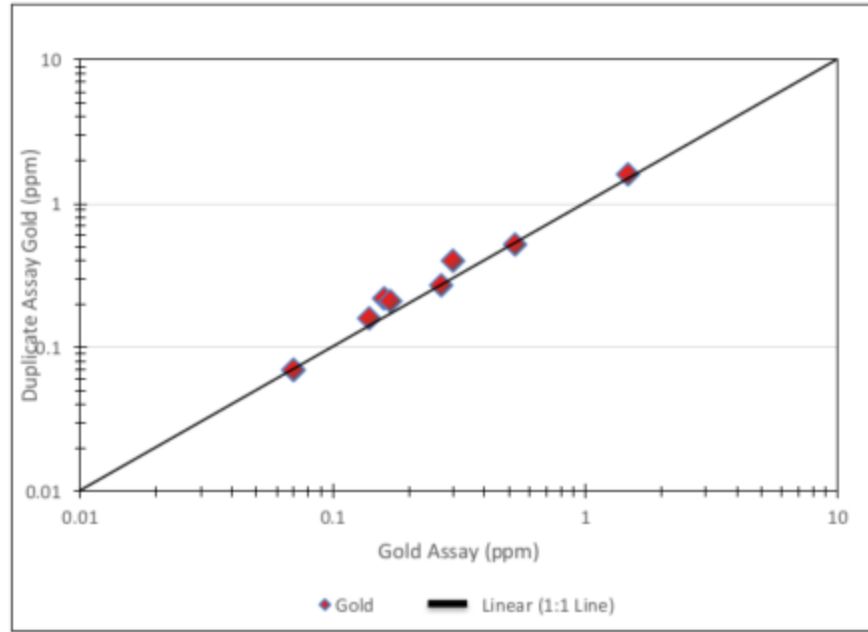


Figure 18: Gold Duplicate Analysis 2015

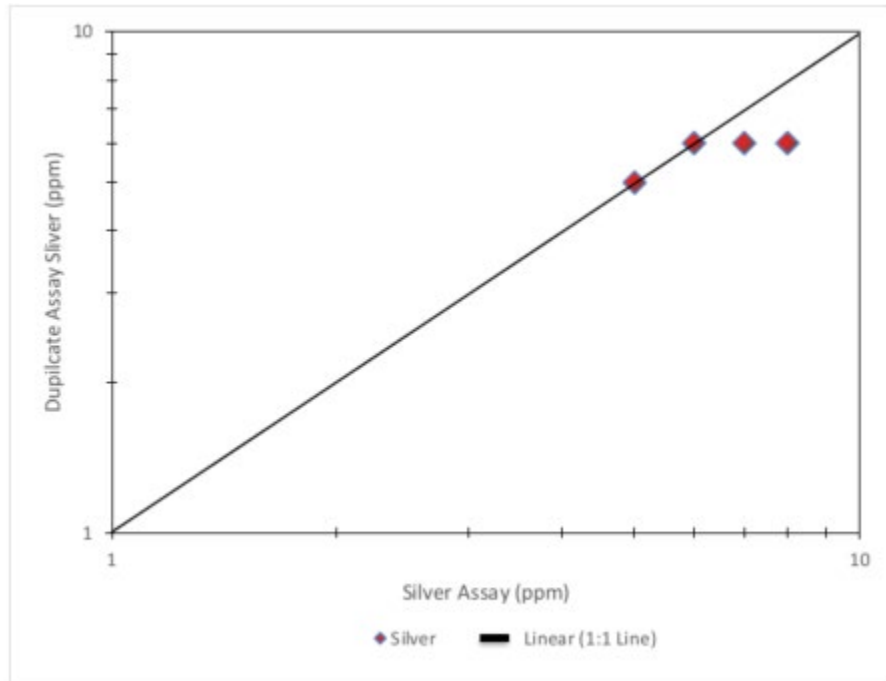


Figure 19: Silver Duplicate Analysis 2015

A total of 28 blank samples were analyzed during the 2015 drill campaign. Gold and silver were either not detected or detected within 2-times the reporting limit of 0.05 and 5 opt for gold and silver, respectively. No detections outside the acceptance criteria were identified, and as such, no corrective action was taken. The Technical Report concludes that this acceptance criterion is acceptable.

Inspection of Analytical Laboratories

When possible, Qualified Persons should perform annual QA/QC visits to each assay lab in use ensure that proper protocols and procedures are being followed as outlined by the laboratory, as was the case when authors of the Technical Report visited and examined ALS Minerals in Reno, Nevada, where the samples are processed.

Historical Information

In 2011, DHRI drilled a series of core holes which were paired as twins of or nearby to historical drill holes to verify historical drilling results. Five sets of paired holes were reviewed. Of the historical holes, two were Kinross holes (DHRI 11 07C/KR98-22 and DHRI-11-03C/DR98-15), one was a Bobcat hole (DHRI 11 06C/88 9), one was a Gold Fields hole (DHRI-11-06C/AR-19) and one was a Chief hole (DHRI-11-04C/C96-08). A map and cross-sections showing the correspondence of the pairs of drill holes are presented on Figure 20 and Figure 21. According to the Technical Report, the anomalous intervals and assay values of the historical holes corresponded favorably with results from DHRI's drilling.

As shown in Figure 21, a complete set of assay drill hole data have been provided for the Historical Drilling Programs. Geologic logs for the Goldfields and Kinross drill holes are focused within the modeled area. The geologic information provided along with the ore zone wireframes built by Kinross was utilized to construct a geologic model for resource estimation. In addition, for data verification purposes, the available assay certificates for the drill holes of the historical drilling programs were evaluated against the data assay provided, and generally agreed with one another. The Kinross report dated 12/22/98 discusses the Bobcat assay data provided by Golden Chief Mining. Many of the Bobcat drill holes are reported to two decimal places with the same value repeated over several intervals. Additionally, there are long runs of 0.001 opt, assumed to be a below detection limit value. Kinross concluded that these data were questionable but similar enough to use for modeling. While these data can be considered for internal planning and modeling, they are not understood well enough to estimate NI 43-101 compliant resources. The Technical Report used the Bobcat drill hole data to assist in constructing the domain wireframes but did not estimate block grades from the assay data of the Bobcat drill holes.

The Technical Report considers that the historical drill data, except for the Bobcat data, are reliable enough to incorporate in a resource model. The reason for the exclusion of the Bobcat data from use in the model is discussed in Section 12.3.2 of the Technical Report.

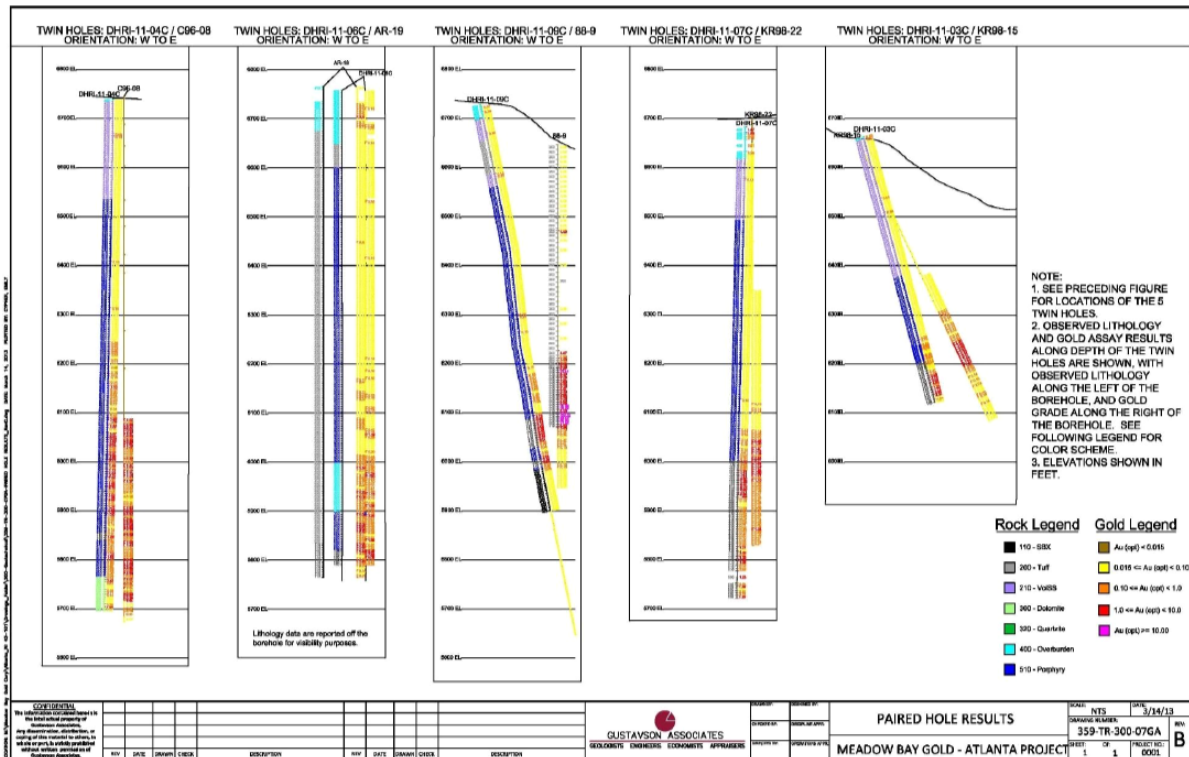


Figure 21: Paired Hole Results

Limitations

The Technical Report is of the opinion that the historical and current data are adequate for the purposes of preparing the Technical Report (excluding the Bobcat/Standard Slag assay intervals and other programs identified in Table 2). Historical assay data is consistent with the current assay data. Current data is subjected to ongoing data checks.

MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral Processing/Metallurgical Testing Analysis

During historical operations of the Atlanta Mine from 1979 through 1985, ore was milled nominally to 120 mesh, leached by agitated cyanide leach, recovered using the Merrill Crowe process and smelted into doré. The mill was rated for 800 tons per day and consisted of two crushers, three ball mills, three agitators, five agitator tanks, and a smelting furnace. In 2013, DHRI demolished the historical mill complex for recycle and salvage.

Anecdotal information from the operators of the historical mill indicates recoveries of 81% gold and 42% silver. Material processed was generally silicified breccia zone with some E-W fracture zone material. There are no records that the porphyry material was mined or processed in the historical operation.

DHRI has conducted initial ore characterization for amenability to cyanidization at crushed ore sizes. This work was completed by Kappes, Cassidy & Associates (KCA), Reno, Nevada. Results were reported in KCA (2012) and summarized in the Technical Report.

In April 2012, DHRI submitted 10 samples to KCA. These samples were logged by DHRI as porphyry, silicified breccia (SBX), and volcanic sediments (VSS). The samples were received at a nominal 10-mesh size, ranging in weight from 29 to 38 pounds each.

Samples were crushed to -10 mesh. KCA grabbed two 500-gram aliquots of each sample, pulverized them to minus 150 mesh Tyler, and then analyzed the two samples for gold and silver by fire assay. The average grade of the two samples is used as the head grade.

For the leach test, KCA grabbed one 2,000-gram aliquot of each 10-mesh sample and combined it with 3-liters of tap water. Hydrated lime (Ca(OH)_2) was added until pH reached 11.0. Sodium cyanide (NaCN) was added until the target concentration of 1 gram per liter NaCN was attained. Additional lime and cyanide were added to maintain the target levels. Leaching was conducted over a 10-day period, after this time, the slurry was filtered and washed. The resulting tailings were dried, pulverized, and assayed in duplicate for gold and silver. The results of metallurgical testing are summarized in Table 4.

The metallurgical testing results reviewed to date suggest that further work is needed. The Technical Report recommends that a suite of metallurgical testing be initiated to determine physical ore characteristics and amenability to various processing methods for each material type. Flotation test work should be initiated for each material type. A relationship of leach recovery to grind size should be investigated. Thin section microscopy may highlight mineralogical relationships and aid in understanding the nature of the mineral material and illuminate the metallurgical results.

Metallurgical testing should be considered separately for each material type, including at a minimum, porphyry material, silicified breccia from the SBX zone, and mineralized material from the E-W zone. It appears likely that each material type will have differences in metallurgical recovery as well as process cost. The Technical Report recommends that future block modelling efforts incorporate material characteristics into the block model.

Table 6: Metallurgical Testing Results

Drill Hole	Interval (ft bgs)		Lithology	Average Head Grade				%Recovery		Reagent Consumed (lb/st)	
	From	To		Au (opt)	Ag (opt)	Au (ppm)	Ag (ppm)	Au	Ag	NaCN	Ca(OH)_2
DHRI-11-06-C	750	795	Porphyry	0.0272	0.032	0.93	1.09	78%	45%	0.5	3.5
DHRI-11-11-C	1060	1130	Porphyry	0.0301	0.102	1.03	3.49	21%	36%	1.28	4.5
DHRI-11-NO5	1080	1145	Porphyry	0.0327	0.023	1.12	0.79	11%	17%	0.46	2
DHRI-11-NO5	1155	1225	Porphyry	0.0944	0.455	3.23	15.57	14%	25%	0.73	3
DHRI-11-01-C	255	305	SBX	0.0403	0.648	1.38	22.17	41%	21%	0.19	2
DHRI-11-07-C	700	755	SBX	0.0607	0.721	2.08	24.67	68%	19%	0.14	2
DHRI-11-09-C	645	700	SBX	0.1363	1.926	4.66	65.89	81%	59%	0.34	2.5
DHRI-11-RCNO3	900	950	SBX	0.1335	0.989	4.57	33.83	69%	6%	0.13	2
DHRI-11-RCNO3	1000	1045	SBX	0.0502	0.269	1.72	9.20	42%	6%	0.2	2
DHRI-11-03-C	205	250	VSS	0.1145	1.72	3.92	58.84	76%	62%	0.37	2.5

Abbreviations: Ag = silver, Au = gold, Ca(OH)_2 = lime, ft bgs = feet below ground surface, lb/st = pound per short ton, ppm = part per million, NaCN = sodium cyanide, SBX = silicified breccia, VSS = volcanic sediments

Note: % Recovery refers to the quantity of gold and silver recovered after 10 days of cyanide leach.

MINERAL RESOURCE ESTIMATES

Kevin Francis, SME RM, of Gustavson Associates is the Qualified Person with responsibility for the mineral resource estimation in Table 7. Resources do not have modifying factors or dilution applied. Resources are presented at a 0.35 ppm gold only cut-off grade and constrained by a pit optimization shell. In the previous report, written in 2013, no economic pit analysis was to

constrain the mineral resource estimate. It is believed that this presentation better represents a 'reasonable prospects for economic extraction'. There is additional mineralized material indicated by the exploration and estimation process that exists outside the pit optimization shell. However, this material is not considered a Mineral Resource with current economic parameters in the Technical Report.

Table 7: Tabulation of Mineral Resources

Resource Category	Tonnes (000's)	Au Grade (ppm)	Contained Au Oz (000's)	Ag Grade (ppm)	Contained Ag Oz (000's)
Measured	4,130	1.51	200	14.0	1,860
Indicated	6,910	1.17	260	10.6	2,360
Measured + Indicated	11,000	1.30	460	11.9	4,220
Inferred	5,310	0.83	142	7.3	1,240

Resources are not Reserves and do not have demonstrated economic viability. There is no certainty that the Mineral Resource will be converted to Mineral Reserves. The quantity and grade are an estimate and is rounded to reflect the fact that it is an approximation. Quantities may not sum due to rounding.

Table 8 is a cut-off grade sensitivity table for all measured and indicated material contained within the Mineral Resource statement. The table shows the sensitivity of the Mineral Resource to differing cut-off grades.

Table 8: Cut-off Grade Sensitivity

Cutoff Grade Au (ppm)	Tonnes (000's)	Grade Au (ppm)	Au Oz (000's)	Grade Ag (ppm)	Ag Oz (000's)
0	12,400	1.18	471	11.0	4,390
0.1	12,300	1.19	471	11.1	4,390
0.2	12,000	1.22	469	11.3	4,350
0.3	11,200	1.28	462	11.8	4,250
0.4	10,100	1.38	448	12.5	4,090
0.5	8,900	1.50	428	13.6	3,880
0.6	7,600	1.65	404	14.8	3,640
0.7	6,600	1.79	381	16.0	3,410
0.8	5,800	1.92	360	17.1	3,210
0.9	5,200	2.04	341	18.1	3,020
1	4,600	2.16	322	19.0	2,830

ADJACENT PROPERTIES

No active mines are located near to the Property. The idle Silver Park mine is located west of the Property. DHRI and Victory has a sizeable property position in the vicinity of the Property, but minimal exploration has taken place.

The Technical Report has identified no relevant information concerning an adjacent property that may affect the Property.

OTHER RELEVANT DATA AND INFORMATION

The Technical Report found no relevant data or information that does not appear in the Technical Report.

INTERPRETATION AND CONCLUSIONS

Field Surveys

DHRI has completed ground magnetic surveys of the Project. The results of the ground magnetic surveys have determined that low magnetic signal coincides with mineralization. A continued mineralized trend has been identified along the Atlanta fault, north and west of the former pit mine area.

Through January 1, 2018, DHRI has provided data from its 47 holes. These holes are in addition to historical holes drilled by other companies. Based on comparison of historical data with modern drilling information, the Technical Report concludes that the historical database can be verified using the modern data, and that it is suitable for resource estimation.

The Technical Report concludes the significant gold-bearing lithologies to include the silicified breccia and porphyry: these lithologies are therefore retained for resource estimation. Drill coverage in the vicinity of the Atlanta pit is sufficient to allow the estimation of measured, indicated and inferred gold and silver resources.

Analytical and Testing Data

Metallurgical testing has been conducted for a total of 10 samples, each consisting of porphyry, silicified breccia, or volcanic sediments. The 10 samples at 10 mesh grain sizes were leached in sodium cyanide for 10 days. The Technical Report asserts that the reagent consumption appears reasonable for Nevada mineral deposits. In reviewing the results, the Technical Report concludes that suite of coarse bottle roll tests is insufficient for any decision making on the metallurgical parameters of Atlanta material and further test work is necessary.

Exploration Conclusions

There are exploration opportunities along strike to the north and down-dip to the west, as well as possibility for additional mineralization to be discovered along extensions of the Atlanta Fault to the south. The highest potential for economic mineralization would appear to be near-surface extensions of existing mineralization to the north of the Atlanta pit, as mineralization in this area would have relatively low stripping ratios and thus more easily meet the 'reasonable prospects' test.

RECOMMENDATIONS

Recommended Work Programs

The Technical Report recommends that DHRI evaluate the current resource area to a Preliminary Economic Assessment (PEA) level to assess on a preliminary basis whether the existing resource area might be economically viable, and to determine additional test work required to advance the project.

Further, the Technical Report recommends the following with regard to six key issues:

Environmental Liability from Historical Mining Operations

DRHI should seek BLM concurrence on how to handle the environmental liability from the historical mining operations.

Infrastructure for Mining Operations

The Technical Report recommends that a thorough review of infrastructure be conducted as part of the PEA. Part of this evaluation may include assessment of aquifer yield at the process water supply well and adequacy of conveyance piping; and adequacy of Atlanta Road to support the traffic associated with mining operations.

Exploration

Drilling for the near-term should be focused on three areas:

- Angled drilling oriented to test the boundary conditions of the E-W zone by drilling across the footwall and hanging-wall of the zone.
- Infill drilling within the resource Lerchs-Grossmann shell to upgrade mineralization from inferred to indicated categories, as well as to further refine the mineral domain boundaries. Additional drilling in the area north of the historical pit would investigate continuity of higher-grade intercepts within that area and would improve the confidence of the estimate.
- Core drilling designed to refine the understanding and interpretation of the relationships between the silicified breccia and porphyry material within the Atlanta Fault, to allow for a better interpretation and block model for this domain. Such a model would be useful in considering variability in process methodology, recovery, and process costs for the two material types within the Atlanta fault zone.
- Drilling could also be considered to the north in linear magnetic low anomalies which may be marking alteration along the extension of the Atlanta fault.

Mineral Processing and Metallurgical Testing

The metallurgical testing results reviewed to date suggest that further work is needed. A relationship of leach recovery to grind size should be investigated. Thin section microscopy may highlight mineralogical relationships and aid in understanding refractory nature of the mineral material.

Refine Geological Model and Resource Estimation

The current model combines the silicified breccia and mineralized Tertiary intrusive material, both present within the SBX zone, into a single entity. Existing lithological information should be reviewed to determine whether the two zones can be effectively segregated. This may not affect grade estimation, but it could be useful for geometallurgical models, as there may be difference in cost and recovery for the two material types.

Prepare PEA & Trade-off Analyses

The Technical Report recommends that a PEA be produced to CIM standards which includes the information referenced above, along with a review of process options and associated costs to determine the economic potential of the project.

COSTS

The proposed program and budget for the Project in 2021 are as follows:

Table 9: 2021 Preliminary Economic Assessment

Item	Cost
Environmental Review	\$10,000
Infrastructure	\$40,000
Soil Sampling (6300 samples, includes labor)	\$277,500
Rock Samples (500)	\$16,000
Geophysical Investigations	
Airmag (1,200 line-km)	\$74,400
Gravity (1200 stations)	\$50,000
Controlled Source Audio Frequency Magnetotellurics (CSAMT)	\$90,000
RC Drilling (9,150m @ \$82/m)	\$750,000
Core Drilling (1,524m @ \$328/m)	\$500,000
Drill Sample Assays (6,000 @ \$35per)	\$210,000
Geologists	\$90,000
Labor	\$35,000
Road and Pad Construction	\$25,000
Permitting (including reclamation)	\$20,000
Metallurgical Testwork	\$100,000
Preliminary Economic Assessment and 43-101 Report	\$130,000
Annual Claim maintenance, Taxes, Carrying Costs	\$140,000
General and Administrative	\$100,000
Total	\$2,657,900

The Technical Report posits that these planned expenditures are appropriate for advancing the project through the preliminary economic assessment stage.

**EXHIBIT 2
TO APPENDIX I**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
DECEMBER 20, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**

AND

**MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FOR THE PERIOD FROM
DECEMBER 20, 2019 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2020**

(see attached)

Nevada King Mining Ltd.
(formerly 1234721 B.C. Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 20, 2019 (DATE OF INCORPORATION)
TO
SEPTEMBER 30, 2020

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Nevada King Mining Ltd.

Opinion

We have audited the consolidated financial statements of Nevada King Mining Ltd. ("the Group"), which comprise the consolidated statement of financial position as at September 30, 2020 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted 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 these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 consolidated financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent 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 Group to express an opinion on the consolidated financial statements. We are

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, Canada
February 18, 2021**

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

		September 30, 2020 \$
	Note	
ASSETS		
Current assets		
Cash and cash equivalents		3,524,239
Accounts receivable		2,819
Prepaid expenses		6,680
Total current assets		3,533,738
Non-current assets		
Exploration and evaluation assets	4	5,754,707
Reclamation bond		429,174
Total non-current assets		6,183,881
Total Assets		9,717,619
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		70,189
Total current liabilities		70,189
EQUITY		
Share capital	5	10,878,300
Reserves	5	1,448,278
Deficit		(2,679,148)
Total equity		9,647,430
Total Equity and Liabilities		9,717,619
NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)		
SUBSEQUENT EVENTS (Note 12)		

These consolidated financial statements are authorized for issue by the Board of Directors on February 18, 2021. They are signed on the Company's behalf by:

"Philip O'Neill" , Director

"Susan Lavertu" , CEO

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Period since incorporation to September 30, 2020
	Note	\$
Expenses		
Advertising		53,520
Consulting		398,287
Management and administration	6	453,421
Office and sundry		51,453
Professional fees		46,458
Share-based compensation	5, 6	1,448,278
Transfer agent and filing fees		2,568
Travel		3,092
Loss from operating activities		(2,457,077)
Foreign exchange loss		(66,122)
Interest expense		(2,014)
Loss on sale of investments	3	(153,935)
Loss and comprehensive loss for the period		(2,679,148)
Loss per share – basic and diluted (\$)		(0.06)
Weighted average number of common shares outstanding – basic and diluted		43,033,427

The accompanying notes are an integral part of these consolidated financial statements.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period since incorporation to September 30, 2020 \$
Cash flows from operating activities	
Loss for the period	(2,679,148)
Adjustments for:	
Loss on sale of investments	153,935
Share-based compensation	1,448,278
	<u>(1,076,935)</u>
Change in non-cash working capital items:	
(Increase) in accounts receivable	(2,819)
(Increase) in prepaid expenses	(6,680)
Increase in accounts payable and accrued liabilities	388,195
Net cash used in operating activities	<u>(698,239)</u>
Cash flows from investing activities	
Expenditures on exploration and evaluation assets	(2,524,846)
Payment of reclamation bond	(429,174)
Proceeds on disposal of investments	196,065
Net cash used in investing activities	<u>(2,757,955)</u>
Cash flows from financing activities	
Issuance of common shares in private placements	6,988,433
Share issuance costs	(8,000)
Net cash from financing activities	<u>6,980,433</u>
Net increase in cash and cash equivalents	3,524,239
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u>3,524,239</u>
SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 7)	

The accompanying notes are an integral part of these consolidated financial statements.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves			
	Number of shares	Amount \$	Equity settled share-based payments \$	Contributed Surplus \$	Deficit \$	Total equity \$
Balance at incorporation	1	-	-	-	-	-
Plan of arrangement (note 3)	37,560,150	3,512,268	-	-	-	3,512,268
Shares issued in private placements	14,983,975	6,988,433	-	-	-	6,988,433
Share issuance costs	-	(8,000)	-	-	-	(8,000)
Shares issued for settlement of debt	550,999	385,599	-	-	-	385,599
Share-based compensation	-	-	1,448,278	-	-	1,448,278
Stock options expired	-	-	(14,218)	14,218	-	-
Total comprehensive loss for the period	-	-	-	-	(2,679,148)	(2,679,148)
Balance at September 30, 2020	53,095,125	10,878,300	1,434,060	14,218	(2,679,148)	9,647,430

The accompanying notes are an integral part of these consolidated financial statements.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.) (the “Company”) was originally incorporated on December 20, 2019, under the Business Corporations Act in the province of British Columbia. The address of the Company’s registered office is 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, Canada, V7Y 1B3. On February 11, 2020, the Company changed its name to Nevada King Mining Ltd.

The Company was incorporated to facilitate the plan of arrangement described in Note 3 with Casino Gold Corp. (“Casino Gold”), a mineral exploration company with resource properties in Nevada, USA. On January 24, 2020, upon completion of the acquisition, the Company issued 37,560,150 common shares to the shareholders of Casino Gold having fair value of \$3,512,268 as consideration for 100% of the outstanding common shares of Big Casino Corp., Desert Hawk Resources Ltd., Battle Mountain Gold LLC, 2656065 Ontario Ltd. and 1226065 B.C. Ltd., an investment in Meadow Bay Gold Corp. secured convertible debentures and a 1% Net Smelter Royalty from production of the Iron Point Project owned by Victory Metals Inc.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company’s exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at September 30, 2020, the Company had an accumulated deficit of \$2,679,148 and shareholder’s equity of \$9,647,430. In addition, the Company has working capital of \$3,463,549, consisting primarily of cash and negative cash flow from operating activities of \$698,239. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company’s ability to continue as a going concern.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. Significant economic and social impacts have limited the Company’s ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These consolidated financial statements were approved by the Board of Directors of the Company on February 18, 2021.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

*(Expressed in Canadian Dollars Unless Otherwise Noted)***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the period ended September 30, 2020.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary as follows:

	Place of Incorporation	Principal Activity
Big Casino Corp.	Delaware, USA	Exploration company
Desert Hawk Resources Ltd.	Delaware, USA	Exploration company
Battle Mountain Gold LLC	Nevada, USA	Exploration company
2656065 Ontario Ltd.	Ontario, Canada	Holding company
1226065 B.C. Ltd.	British Columbia, Canada	Holding company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

d) Foreign currencies

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Exploration, evaluation and development expenditures

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring, maintaining its interest in, exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Exploration, evaluation and development expenditures (continued)

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income. All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company did not have any cash equivalents as at September 30, 2020.

h) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the period presented.

i) Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including an expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. Impairment is assessed at the level of cash-generating units or "CGUs", which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

j) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Share-based payment transactions (continued)

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

l) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

m) Common control transactions

Business combinations involving entities under common control are accounted for by applying the predecessor value method. The predecessor value method involves accounting for the acquired assets and liabilities at existing carrying values rather than at fair value, which results in no goodwill being recorded

n) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Significant Accounting Estimates and Judgments (continued)

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on our best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Significant Accounting Estimates and Judgments (continued)

(ii) Critical accounting judgments (continued)

- As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at September 30, 2020.

o) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period

In October 2018, the International Accounting Standards Board amended IFRS 3, Business Combinations, seeking to clarify whether an acquisition transaction results in the acquisition of an asset or the acquisition of a business. The amendments are effective for acquisition transactions on or after January 1, 2020. The amended standard has a narrower definition of a business, which could result in the recognition of fewer business combinations than under the previous standard; the implication of this is that amounts which may have been recognized as goodwill in a business combination under the previous standard may now be recognized as allocations to net identifiable assets acquired under the amended standard (with an associated effect in an entity's results of operations that would differ from the effect of goodwill having been recognized). We have applied the standard prospectively from January 1, 2020. The effects of the amended standard on our financial performance and disclosure will be dependent on the facts and circumstances of any future acquisition transactions and have not been material in the current fiscal period.

3. PLAN OF ARRANGEMENT

On January 24, 2020, the Company entered into a purchase and sale agreement with Casino Gold, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Casino Gold's wholly-owned subsidiaries Big Casino Corp., Desert Hawk Resources Ltd., Battle Mountain Gold LLC, 2656065 Ontario Ltd. and 1226065 B.C. Ltd., as well as, 350 units in Meadow Bay Gold Corp. (CSE: MVMD), each unit consisting of a secured convertible debenture in the principal amount of \$1,000 and 1,000 warrants to purchase common shares in the capital of Meadow Bay Gold Corp. and a 1% Net Smelter Royalty from production of the Iron Point Project owned by Victory Metals Inc. (TSX-V: VMX). The Company paid consideration of 37,560,150 common shares with a deemed value of \$3,512,268.

The acquisition has been accounted for under IFRS issued by the IASB and interpretations of the International Reporting Interpretations Committee ("IFRIC") as an acquisition of Casino Gold's net assets.

The acquired assets and liabilities were recorded at their predecessor value. The acquisition of the net assets of Casino Gold is summarized as follows:

Purchase price – value of equity instruments issued	\$ 3,512,268
Total Consideration	\$ 3,512,268
Assets	
Investments	350,000
Exploration and evaluation assets	3,162,268
Total Assets	\$ 3,512,268

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. PLAN OF ARRANGEMENT (continued)

During the period ended September 30, 2020, the Company converted the convertible debenture into common shares of Meadow Bay Gold Corp., and subsequently disposed of the shares resulting in a loss of \$153,935.

4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at September 30, 2020:

Period ended September 30, 2020	Evana \$	Crescent Valley \$	Carico Lake \$	Horse Mountain \$	Kobeh Valley \$	Lewis- Hilltop \$	Golconda \$	Buffalo Valley \$	Atlanta \$	Total \$
Acquisition Costs										
Balance as at Incorporation	-	-	-	-	-	-	-	-	-	-
Additions										
Acquisitions	133,390	182,565	260,785	310,893	-	907,516	109,196	-	1,391,715	3,296,060
Land claim payments	28,096	3,612	233,259	192,494	629,591	186,647	37,216	388,400	153,637	1,852,952
Option payments	66,695	-	-	-	-	33,348	-	-	-	100,043
Balance as at September 30, 2020	228,181	186,177	494,044	503,387	629,591	1,127,511	146,412	388,400	1,545,352	5,249,055
Exploration Costs										
Balance as at Incorporation	-	-	-	-	-	-	-	-	-	-
Assays and sampling	-	-	-	-	3,362	-	-	-	-	3,362
Geological information systems	1,367	-	4,602	2,134	6,269	1,167	-	133	-	15,672
Resource estimate	-	-	-	-	-	-	-	-	47,889	47,889
Salaries and consulting	-	-	-	10,315	72,203	-	-	20,629	34,952	138,099
Staking	-	-	-	12,689	124,952	12,905	-	53,323	-	203,869
Supplies and equipment	-	-	-	4,371	30,594	-	-	8,741	-	43,706
Other	-	-	-	727	35,367	2,165	-	8,064	6,732	53,055
Balance as at September 30, 2020	1,367	-	4,602	30,236	272,747	16,237	-	90,890	89,573	505,652
Total Exploration and Evaluation Assets										
Balance as at September 30, 2020	229,548	186,177	498,646	533,623	902,338	1,143,748	146,412	479,290	1,634,925	5,754,707

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Evana Project

As at September 30, 2020, the Company owns 119 lode claims located in Eureka County, Nevada (USA).

On March 16, 2020, the Company acquired the Evana vanadium project consisting of 126 unpatented lode claims in Nevada, USA from Brownstone Ventures (US) Inc., a wholly-owned subsidiary of Victory Metals Inc. ("Victory Metals"), for consideration of \$139,640 (US\$100,000). Victory Metals retained a 1% Net Smelter Royalty on the project which can be repurchased by the Company for US\$500,000.

On June 4, 2020, the Company paid the final option payment of \$67,540 (US\$50,000) to earn a 100% interest in the project.

Crescent Valley Project

As at September 30, 2020, the Company owns 14 lode claims located in Eureka County, Nevada (USA).

Carico Lake Project

As at September 30, 2020, the Company owns 679 lode claims located in Lander County, Nevada (USA).

Horse Mountain Project

As at September 30, 2020, the Company owns 652 lode claims located in Lander County, Nevada (USA).

Kobeh Valley Project

As at September 30, 2020, the Company owns 1,072 lode claims located in Eureka County, Nevada (USA).

Lewis-Hilltop Project

As at September 30, 2020, the Company owns 678 lode claims located in Lander County, Nevada (USA).

Golconda Project

As at September 30, 2020, the Company owns 155 lode claims located in Humboldt County, Nevada (USA).

Buffalo Valley Project

As at September 30, 2020, the Company owns 1,191 lode claims located in Eureka County, Nevada (USA).

Atlanta Project

As at September 30, 2020, the Company owns the Atlanta Gold Mine and 639 lode claims located in Lincoln County, Nevada (USA).

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2020, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in fiscal 2020

On January 24, 2020, the Company issued 37,560,150 common shares pursuant to the transaction described in Note 3.

On February 12, 2020, the Company completed a non-brokered private placement financing of 10,000,000 common shares at a price of \$0.35 per share for gross proceeds of \$3,500,000.

On March 5, 2020, the Company completed a non-brokered private placement financing of 963,940 common shares at a price of \$0.70 per share for gross proceeds of \$674,758.

On July 7, 2020, the Company completed a non-brokered private placement financing of 3,933,543 common shares at a price of \$0.70 per share for gross proceeds of \$2,753,480. The Company paid finder's fees of \$8,000 to certain finders in connection with the private placement financing.

On August 4, 2020, the Company completed a non-brokered private placement financing of 86,492 common shares at a price of \$0.70 per share for gross proceeds of \$60,544.

During the period ended September 30, 2020, the Company issued 550,999 common shares with a value of \$385,599 to settle outstanding debt of \$385,599.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's Board of Directors that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant. Share purchase options granted generally vest immediately, and are subject to a four-month hold period and are generally exercisable for a period of up to ten years.

The continuity of share purchase options for the period ended September 30, 2020 is as follows:

Expiry date	Exercise Price	December 20, 2019	Granted	Exercised	Cancelled/ Expired	September 30, 2020
February 28, 2025	\$0.35	-	4,756,015	-	(47,500)	4,708,515
May 19, 2025	\$0.70	-	41,485	-	-	41,485
		-	4,797,500	-	(47,500)	4,750,000
Weighted average exercise price \$		-	0.35	-	0.35	0.35
Weighted average contractual remaining life (years)		-	5.00	-	-	4.42

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

*(Expressed in Canadian Dollars Unless Otherwise Noted)***5. SHARE CAPITAL AND RESERVES (continued)**

The Company did not have any warrants outstanding as at September 30, 2020.

The weighted average fair value of share purchase options granted during the period ended September 30, 2020 is \$0.30.

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Period ended September 30, 2020
Risk-free interest rate	1.06%
Expected option life in years	5.0
Expected share price volatility(i)	129%
Grant date share price	\$0.35
Expected forfeiture rate	-
Expected dividend yield	Nil

(i) The expected share price volatility is based on the average historical share price volatility of comparable companies over the life of the option.

6. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Period ended September 30, 2020 \$
Plan of arrangement with Casino Gold Corp.	3,512,268
Amounts paid to Minefinder X LLC for database subscriptions	33,522
Amounts paid to Minefinder X LLC included in prepaid expenses	6,680
Issuance of common shares to related parties in private placements	1,338,750

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the period ended September 30, 2020, key management personnel compensation totaled \$1,374,514 comprised of management and administration fees of \$91,419 paid to a company controlled by the Company's Chief Executive Officer, \$260,002 paid to a company controlled by the Company's Executive Chairman, \$96,268 paid to the Company's Chief Operating Officer, \$24,000 paid to the Chief Financial Officer and share-based compensation of \$902,825 relating to 3,016,250 stock options granted to directors and officers of the Company.

As at September 30, 2020, \$25,554 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

*(Expressed in Canadian Dollars Unless Otherwise Noted)***7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	Period ended September 30, 2020 \$
Non-cash investing and financing activities:	
Shares issued for settlement of debt	385,599
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	67,593

For the period ended September 30, 2020, the Company paid \$Nil for income taxes and received \$16,781 for interest.

8. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Nevada, USA.

9. INCOME TAXES

The recovery of income taxes shown in the statement of loss and comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	Since incorporation to September 30, 2020 \$
Loss before income taxes	(2,679,148)
Income tax (recovery) at statutory rate	(723,000)
Non-deductible differences	438,000
Change in statutory tax, exchange rates and other	19,000
Change in unrecognized temporary differences	266,000
Income tax recovery	-
Statutory tax rate	27.00%

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2020 \$
Deferred income tax assets	
Unrecognized deferred income tax assets	(266,000)
Non-capital loss carry-forwards	266,000
	-

As at September 30, 2020, the Company has Canadian non-capital loss carry forwards of \$960,882 that may be available for tax purposes. The Company's non-capital losses expire in 2040.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value.

The Company's financial assets consist of cash and cash equivalents and accounts receivable. The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has \$70,189 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at September 30, 2020 would change the Company's loss by \$173,151 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the period ended September 30, 2020.

12. SUBSEQUENT EVENTS

Business Combination with Victory Metals Inc.

Subsequent to September 30, 2020, the Company entered into a definitive arrangement agreement with Victory Metals Inc. ("Victory Metals"). Victory Metals will acquire all of the issued and outstanding shares of the Company pursuant to a statutory plan of arrangement in exchange for common shares of Victory Metals. The shareholders of the Company will hold 50% of the issued and outstanding Victory Metals shares following completion of the transaction.

A key condition to the completion of the transaction is to complete a minimum \$8 million non-brokered private placement. The private placement will be conducted on a post-transaction basis and, as such, the common shares of the resulting issuer to be issued to subscribers of the private placement will not be considered in the calculation of the exchange ratio between the Company and Victory Metals. Palisades Goldcorp Ltd., a major shareholder of both the Company and Victory Metals, has committed to subscribe for any portion of the private placement that is not taken up by other investors.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Notes to the Consolidated Financial Statements

For the period from December 20, 2019 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars Unless Otherwise Noted)

12. SUBSEQUENT EVENTS (continued)

Warehouse Purchase

Subsequent to September 30, 2020, the Company purchased a warehouse in Winnemucca, Nevada, from an arm's length vendor, for consideration of \$565,143 (US\$434,291).

Geological Service Agreement

Subsequent to September 30, 2020, the Company entered into a service agreement, with an arm's length party, for mineral exploration and geological consulting services for consideration of \$700,000.

Private Placement

Subsequent to September 30, 2020, the Company completed a non-brokered private placement for 507,143 common shares at a price of \$0.70 per share for gross proceeds of \$355,000.

Acquisition of claims

Subsequent to September 30, 2020, the Company purchased 60 lode claims in Eureka County, Nevada, from an arm's length vendor, for consideration of \$126,840 (US\$100,000) and issued 250,000 common shares.

Stock Option Exercise

Subsequent to September 30, 2020, 3,738,750 stock options were exercised at a price of \$0.35 per share for gross proceeds of \$1,308,563.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

The following discussion is management's assessment and analysis of the results and financial condition of Nevada King Mining Ltd. (the "Company" or "Nevada King") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is February 18, 2021.

The scientific and technical geological content and interpretations contained in this report have been reviewed and approved by the Company's VP of Exploration, Cal Herron, P.Geo., a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101").

Description of Business

The Company was originally incorporated on December 20, 2019, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, Canada, V7Y 1B3. On February 11, 2020, the Company changed its name to Nevada King Mining Ltd.

On January 24, 2020, the Company entered into a purchase and sale agreement with Casino Gold Corp. ("Casino Gold"), pursuant to which the Company acquired all of the issued and outstanding common shares of Casino Gold's wholly owned subsidiaries Big Casino Corp., Desert Hawk Resources Ltd., Battle Mountain Gold LLC, 2656065 Ontario Ltd. and 1226065 B.C. Ltd., as well as 350 units in Meadow Bay Gold Corp. ("Meadow Bay"), each unit consisting of a secured convertible debenture in the principal amount of \$1,000 and 1,000 warrants to purchase common shares in the capital of Meadow Bay Gold Corp. and a 1% Net Smelter Royalty from production of the Iron Point Project owned by Victory Metals Inc. ("Victory"). The Company paid consideration of 37,560,150 Nevada King Shares with a deemed value of \$3,512,268. During the period ended September 30, 2020, the Company converted the convertible debenture into common shares of Meadow Bay, and subsequently disposed of the shares resulting in a loss of \$153,935.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. Nevada King is the fourth largest mineral claim holder in the State of Nevada. Nevada King owns 100% of the Atlanta Project, located 100km southeast of Ely, Nevada, which is a historical gold-silver producer that currently hosts a NI 43-101 compliant mineral resource estimate constrained by a conceptual pit containing 11 million tonnes of measured and indicated resources grading 1.3g/t Au and containing 460,000 Au oz. Inferred mineral resources are 5.31 million tonnes grading 0.83 g/t Au containing 142,000 Au oz. Past open pit production is reported to have been 110,000 oz Au and 800,000 oz. Ag (1975 - 1985). Exploration activities are currently covered by a United States Bureau of Land Management-approved Plan of Operations. Existing infrastructure includes electricity to the mine, phone/internet communications, access via a graded county road, and abundant water supply. The resource area remains open for expansion through further drilling.

Including the Atlanta Project, the Company owns a 100% interest in various gold projects consisting of 6,771 unpatented lode claims covering approximately 12,822 acres, located in the Battle Mountain Trend in, Nevada (USA). The Atlanta Project is the Company's only material mineral property.

On December 14, 2020, Nevada King entered into a definitive Arrangement Agreement ("Arrangement") with Victory, pursuant to which Victory has agreed to acquire all of the issued and outstanding securities of Nevada King.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

Upon completion of the Acquisition, Victory will own 100% of Nevada King in consideration for the issuance of Victory common shares resulting in the shareholders of Nevada King holding 50% of the issued and outstanding Victory Shares following completion of the Arrangement.

Closing of the Acquisition is subject to the completion of a minimum \$8 million non- brokered private placement (the "Private Placement") by Victory. The Private Placement will be conducted on a post-Arrangement basis and, as such, the common shares of the resulting issuer to be issued to subscribers of the Private Placement will not be considered in the calculation of the Exchange Ratio. Palisades Goldcorp Ltd. ("Palisades"), a major shareholder of both Nevada King and Victory, has committed to subscribe for any portion of the Private Placement that is not taken up by other investors.

As of the date of this MD&A and as of September 30, 2020, the Company's Board of Directors consisted of the following: Collin Kettell and Phillip O'Neill. Additional information relating to the Company is available on the Company's website at www.nevadaking.ca.

Project Summary

Evana Project

As at September 30, 2020, the Company owns 119 lode claims located in Eureka County, Nevada (USA).

On March 16, 2020, the Company acquired the Evana vanadium project consisting of 126 unpatented lode claims in Nevada, USA from Brownstone Ventures (US) Inc., a wholly-owned subsidiary of Victory for consideration of \$139,640 (US\$100,000). Victory retained a 1% Net Smelter Royalty on the project which can be repurchased by the Company for US\$500,000.

On June 4, 2020, the Company paid the final option payment of \$67,540 (US\$50,000) to earn a 100% interest in the project.

Crescent Valley Project

As at September 30, 2020, the Company owns 14 lode claims located in Eureka County, Nevada (USA).

Carico Lake Project

As at September 30, 2020, the Company owns 679 lode claims located in Lander County, Nevada (USA).

Horse Mountain Project

As at September 30, 2020, the Company owns 652 lode claims located in Lander County, Nevada (USA).

Kobeh Valley Project

As at September 30, 2020, the Company owns 1,072 lode claims located in Eureka County, Nevada (USA).

Lewis-Hilltop Project

As at September 30, 2020, the Company owns 678 lode claims located in Lander County, Nevada (USA).

Golconda Project

As at September 30, 2020, the Company owns 155 lode claims located in Humboldt County, Nevada (USA).

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

Buffalo Valley Project

As at September 30, 2020, the Company owns 1,191 lode claims located in Eureka County, Nevada (USA).

Atlanta Project

As at September 30, 2020, the Company owns the Atlanta Gold Mine and 639 lode claims located in Lincoln County, Nevada (USA).

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

	Evana \$	Crescent Valley \$	Carico Lake \$	Horse Mountain \$	Kobeh Valley \$	Lewis- Hilltop \$	Golconda \$	Buffalo Valley \$	Atlanta \$	Total \$
Period ended September 30, 2020										
Acquisition Costs										
Balance as at Incorporation	-	-	-	-	-	-	-	-	-	-
Additions										
Acquisitions	133,390	182,565	260,785	310,893	-	907,516	109,196	-	1,391,715	3,296,060
Land claim payments	28,096	3,612	233,259	192,494	629,591	186,647	37,216	388,400	153,637	1,852,952
Option payments	66,695	-	-	-	-	33,348	-	-	-	100,043
Balance as at September 30, 2020	228,181	186,177	494,044	503,387	629,591	1,127,511	146,412	388,400	1,545,352	5,249,055
Exploration Costs										
Balance as at Incorporation	-	-	-	-	-	-	-	-	-	-
Assays and sampling	-	-	-	-	3,362	-	-	-	-	3,362
Geological information systems	1,367	-	4,602	2,134	6,269	1,167	-	133	-	15,672
Resource estimate	-	-	-	-	-	-	-	-	47,889	47,889
Salaries and consulting	-	-	-	10,315	72,203	-	-	20,629	34,952	138,099
Staking	-	-	-	12,689	124,952	12,905	-	53,323	-	203,869
Supplies and equipment	-	-	-	4,371	30,594	-	-	8,741	-	43,706
Other	-	-	-	727	35,367	2,165	-	8,064	6,732	53,055
Balance as at September 30, 2020	1,367	-	4,602	30,236	272,747	16,237	-	90,890	89,573	505,652
Total Exploration and Evaluation Assets										
Balance as at September 30, 2020	229,548	186,177	498,646	533,623	902,338	1,143,748	146,412	479,290	1,634,925	5,754,707

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

Overall Performance and Results of Operations

Total assets increased to \$9,717,619 at September 30, 2020, from \$Nil at December 20, 2019, primarily as a result of an increases in exploration and evaluation assets of \$5,754,707, an increase in cash and cash equivalents \$3,524,239 and an increase in reclamation bond of \$429,174. The most significant assets at September 30, 2020, was cash and cash equivalents of \$3,524,239 (December 20, 2019: \$Nil), exploration and evaluation assets of \$5,754,707 (December 20, 2019: \$Nil) and a reclamation bond of \$429,174 (December 20, 2019: \$Nil). Cash increased by \$3,524,239 during the period ended September 30, 2020 as a result of the issuance of common shares in the amount of \$6,988,433 partially offset by exploration and evaluation asset expenditures of \$2,524,846, payment of a reclamation bond of \$429,174 and cash used in operating activities of \$698,239.

Period from December 20, 2019 to September 30, 2020

During the period ended September 30, 2020, loss from operating activities was \$2,457,077 and was largely due to:

- Consulting fees were \$398,287 for the period ended September 30, 2020 due to higher consulting fees incurred as a result of commencing operations.
- Management and administration fees were \$453,421 for the period ended September 30, 2020 due to a performance bonus paid to the Company's Executive Chairman and compensation paid to key management personnel as a result of commencing operations.
- Share-based compensation was \$1,448,278 for the period ended September 30, 2020. A total of 4,797,500 fully vested stock options with a value of \$1,448,278 were granted during the period ended September 30, 2020.

Other items

For the period ended September 30, 2020, other expenses were \$222,071 and was largely due to:

- A loss on sale of investments of \$153,935. During the period ended September 30, 2020, the Company converted the convertible debenture it had acquired from Casino Gold into common shares of Meadow Bay, and subsequently disposed of the shares resulting in a loss of \$153,935.

The Company recorded loss and comprehensive loss of \$2,679,148 or 0.06 basic and diluted loss per share for the period ended September 30, 2020.

Selected Annual Financial Information	Period from December 20 to September 30, 2020
	\$
Total Assets	9,717,619
Operating expenses ⁽¹⁾	(1,008,799)
Share-based compensation	(1,448,278)
Foreign exchange (loss) gain	(66,122)
Interest expense	(2,014)
Loss on sale of investments	(153,935)
Net (loss) income and comprehensive (loss) income	(2,679,148)
(Loss) earnings per share – basic and diluted	(0.06)

- (1) Operating expenses consists of advertising, consulting, management and administration, office and sundry, professional fees, transfer agent and filing fees and travel expenditures.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

Three months ended September 30, 2020

During the three months ended September 30, 2020, loss from operating activities was \$842,339 and was largely due to:

- Consulting fees were \$253,204 for the three months ended September 30, 2020 due to higher consulting fees incurred as a result of increased operations.
- Management and administration fees were \$258,709 for the three months ended September 30, 2020 due to compensation paid to key management personnel as a result of increased operations.

Other items

For the three months ended September 30, 2020, other expenses were \$283,694 and was largely due to:

- A foreign exchange loss of \$112,594 resulting from the fluctuation of the US dollar against the Canadian dollar during the three months ended September 30, 2020.
- A loss on sale of investments of \$153,935. During the three months ended September 30, 2020, the Company converted the convertible debenture it had acquired from Casino Gold into common shares of Meadow Bay, and subsequently disposed of the shares resulting in a loss of \$153,935.

The Company recorded loss and comprehensive loss of \$842,339 or 0.02 basic and diluted loss per share for the three months ended September 30, 2020.

Summary of Quarterly Results

	2020		
	Sep. 30	June 30	March 31
	\$	\$	\$
Revenues	-	-	-
(Loss) and comprehensive (loss) for the period	(842,339)	(358,417)	(1,478,392)
(Loss) earnings per Common Share Basic and Diluted ⁽¹⁾	(0.02)	(0.01)	(0.05)

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity and Capital Resources

As at September 30, 2020, the Company had cash of \$3,524,239 to settle current liabilities of \$70,189.

The Company does not currently have a recurring source of revenue, other than interest income on its short-term investments and has incurred negative cash flows from operating activities. As at September 30, 2020, the Company had working capital of \$3,463,549 consisting primarily of cash. Although the Company presently has sufficient financial resources to cover its existing obligations and operating costs, the Company expects to require further funding in the longer term to fund its planned programs for the next year. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company's ability to continue as a going concern.

The sources of funds currently available to the Company for its acquisition and exploration projects are solely due from equity financing.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

October 2020 Financing – Net Proceeds of \$355,000

In October 2020, the Company completed a non-brokered private placement of 507,143 common shares at a price of \$0.70 per common share for total proceeds of \$355,000. The Company intends to use these proceeds for working capital.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Working capital	355,000	-	(355,000)
Total Uses	355,000	-	(355,000)

August 2020 Financing – Net Proceeds of \$60,544

In August 2020, the Company completed a non-brokered private placement of 86,492 common shares at a price of \$0.70 per common share for total proceeds of \$60,544. The Company intends to use these proceeds for working capital.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Working capital	60,544	-	(60,544)
Total Uses	60,544	-	(60,544)

July 2020 Financing – Net Proceeds of \$2,745,480

In July 2020, the Company completed a non-brokered private placement of 3,933,543 common shares at a price of \$0.70 per common share for total proceeds of \$2,753,480. The Company paid \$8,000 to certain finders in connection with the private placement. The Company intends to use these proceeds for working capital.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Working capital	2,745,480	-	(2,745,480)
Total Uses	2,745,480	-	(2,745,480)

March 2020 Financing – Net Proceeds of \$674,758

In March 2020, the Company completed a non-brokered private placement of 963,940 common shares at a price of \$0.70 per common share for total proceeds of \$674,758. The Company intends to use these proceeds for acquisition of mineral claims.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Acquisition, exploration and evaluation	674,758	454,020	(220,738)
Total Uses	674,658	454,020	(220,738)

February 2020 Financing – Net Proceeds of \$3,500,000

In February 2020, the Company completed a non-brokered private placement of 10,000,000 common shares at a price of \$0.35 per common share for total net proceeds of \$3,500,000. The Company intends to use these proceeds for acquisition of mineral claims and for working capital.

	Intended Use of Proceeds (Estimated) \$	Actual Use of Proceeds \$	Over/(Under)- Expenditure at September 30, 2020 \$
Uses of Funds:			
Working capital	1,000,000	698,239	(301,761)
Acquisition, exploration and evaluation	2,500,000	2,500,000	-
Total Uses	3,500,000	3,198,239	(301,761)

Outstanding Share Data

On January 24, 2020, the Company issued 37,560,150 common shares pursuant to the transaction with Casino Gold.

On February 12, 2020, the Company completed a non-brokered private placement financing of 10,000,000 common shares at a price of \$0.35 per share for gross proceeds of \$3,500,000.

On March 5, 2020, the Company completed a non-brokered private placement financing of 963,940 common shares at a price of \$0.70 per share for gross proceeds of \$674,758.

On July 7, 2020, the Company completed a non-brokered private placement financing of 3,933,543 common shares at a price of \$0.70 per share for gross proceeds of \$2,753,480. The Company paid finder's fees of \$8,000 to certain finders in connection with the private placement financing.

On August 4, 2020, the Company completed a non-brokered private placement financing of 86,492 common shares at a price of \$0.70 per share for gross proceeds of \$60,544.

During the period ended September 30, 2020, the Company issued 550,999 common shares with a value of \$385,599 to settle outstanding debt of \$385,599.

Subsequent to September 30, 2020, the Company completed a non-brokered private placement for 507,143 common shares at a price of \$0.70 per share for gross proceeds of \$355,000.

Subsequent to September 30, 2020, the Company purchased 60 lode claims in Eureka County, Nevada, from an arm's length vendor, for consideration of \$126,840 (US\$100,000) and issued 250,000 common shares.

Subsequent to September 30, 2020, 3,738,750 stock options were exercised at a price of \$0.35 per share for gross proceeds of \$1,308,563.

As at September 30, 2020 there were 53,095,125 shares issued and outstanding and as of the date of this report, there were 57,591,018 common shares issued and outstanding.

Nevada King Mining Ltd. (formerly 1234721 B.C. Ltd.)

Management's Discussion and Analysis

For the period from December 20, 2019 to September 30, 2020

As at September 30, 2020 there were 4,750,000 stock options and no warrants outstanding. As of the date of this report, there were 1,011,250 stock options and no warrants outstanding

Related Party Balances and Transactions

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Period ended September 30, 2020 \$
Plan of arrangement with Casino Gold Corp.	3,512,268
Amounts paid to Minefinder X LLC for database subscriptions	33,522
Amounts paid to Minefinder X LLC included in prepaid expenses	6,680
Issuance of common shares to related parties in private placements	1,338,750

Key Management Personnel Compensation

During the period ended September 30, 2020, key management personnel compensation totaled \$1,374,514 comprised of management and administration fees of \$91,419 paid to a company controlled by the Company's Chief Executive Officer, \$260,002 paid to a company controlled by the Company's Executive Chairman, \$96,268 paid to the Company's Chief Operating Officer, \$24,000 paid to the Chief Financial Officer and share-based compensation of \$902,825 relating to 3,016,250 stock options granted to directors and officers of the Company.

As at September 30, 2020, \$25,554 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer.

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating gold properties. It is exposed to a number of risks and uncertainties that are common to other gold mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Mining Exploration and Development

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

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The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Company's projects will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Risks Associated with Gold Markets

Gold is an exchange traded commodity and is sold directly to end users. The profitability of the Company's gold operations will be dependent upon the market price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of gold has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Depending on the market price of gold, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Public Health Crises such as the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

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Significant economic and social impacts have limited the Company's ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

Environmental Risks and Hazards

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

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The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Risks Associated with Potential Acquisitions

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Negative Operating Cash Flow

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Financing

Additional funding will be required to complete the proposed or future exploration and other programs on the Company's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations. The majority of sources of funds currently available to the Company for its acquisition and exploration projects are in large portion derived from the issuance of equity.

While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and evaluation programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

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Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company.

The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the market for gold is principally denominated in US dollars.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Enforcement of Civil Liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Critical Accounting Policies and Estimates

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

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The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

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- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at September 30, 2020.

Financial Instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income. All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall, the Company's credit risk has not changed significantly from the prior year. The Company places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

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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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has \$70,189 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at September 30, 2020 would change the Company's loss by \$173,151 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

Capital management

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the period ended September 30, 2020.

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Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

The Company entered into a definitive arrangement agreement with Victory. Victory will acquire all of the issued and outstanding shares of the Company pursuant to a statutory plan of arrangement in exchange for common shares of Victory. The shareholders of the Company will hold 50% of the issued and outstanding Victory shares following completion of the transaction.

A key condition to the completion of the transaction is to complete a minimum \$8 million non-brokered private placement. The private placement will be conducted on a post-transaction basis and, as such, the common shares of the resulting issuer to be issued to subscribers of the private placement will not be considered in the calculation of the exchange ratio between the Company and Victory. Palisades, a major shareholder of both the Company and Victory, has committed to subscribe for any portion of the private placement that is not taken up by other investors.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is focused on becoming the 2nd largest active claim holder in Nevada, USA by 2022.

Additional information relating to the Company is available on its website at: www.nevadaking.ca.

APPENDIX J
ARRANGEMENT AND DISSENT PROVISIONS OF THE BRITISH COLUMBIA BUSINESS
CORPORATION ACT

Pursuant to the Interim Order, Registered Nevada King Shareholders have the right to dissent in respect of the Arrangement. Such right of dissent is described in this Circular. The full text of Division 2 (*Dissent Proceedings*) of Part 8 (*Proceedings*) of the BCBCA is set forth below.

DIVISION 2 OF PART 8 OF THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT

Definitions and application

237 (1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
- (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3)(b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the

rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent. Loss of right to dissent.

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.