VICTORY CAPITAL CORP.

FILING STATEMENT

in respect of the Qualifying Transaction involving

ACAPULCO GOLD CORPORATION

Dated as at March 31, 2022

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

All information contained in this Filing Statement with respect to Victory Capital Corp. ("**Victory**") was supplied by Victory for inclusion herein.

All information contained in this Filing Statement with respect to Acapulco Gold Corporation ("**Acapulco**") was supplied by Acapulco for inclusion herein.

TABLE OF CONTENTS

GLOSSARY

The following is a glossary of certain general terms used in this Filing Statement, including the summary hereof. Terms and abbreviations used in the financial statements included in, or appended to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**1933 Act**" means the United States Securities Act of 1933;

"**Acapulco**" means Acapulco Gold Corp., a corporation governed by the laws of the Province of British Columbia;

"**Acapulco Common Shares**" means the common shares in the capital of Acapulco;

"**Acapulco Financial Statements**" means the audited consolidated financial statements of Acapulco for the years ended December 31, 2020 and 2019 and the unaudited condensed interim consolidated financial statements for the 9 month period ended September 30, 2021 and 2020 which are attached to this Filing Statement as Schedule "C";

"**Acapulco MD&A**" means the management's discussion and analysis of the financial condition and results of operations of Acapulco for the years ended December 31, 2020 and 2019 and the unaudited condensed interim consolidated financial statements of Acapulco for the 9 month period ended September 30, 2021 and 2020 which are attached to this Filing Statement as Schedule "D";

"**Acapulco Named Executive Officers**" means Acapulco's directors, chief executive officer, chief financial officer, and the three most highly compensated executive officers;

"**Acapulco Property**" means the Riqueza Marina-Zaachila project, as described in the Asset Purchase Agreement.

"**Acapulco QT Financing**" means the non-brokered private placement of Acapulco Subscription Receipts by Acapulco;

"**Acapulco QT Financing Finder's Warrants**" means the common share purchase warrants issued to certain finders in connection with the Acapulco QT Financing upon Completion of the Qualifying Transaction, where each such warrant is exercisable for one Acapulco Common Share at a price of $0.20 per Acapulco Common Share for a period twenty-four (24) months from the date of issuance;

"**Acapulco Shareholders**" means the holders of the Acapulco Common Shares;

"**Acapulco Special Resolution**" means the special resolution of the Acapulco Shareholders approving the Merger;

"**Acapulco Subscription Receipts**" means the subscription receipts of Acapulco comprised of one Acapulco Common Share issued during the Acapulco QT Financing at a price of $0.20 per subscription receipt;

"**Acapulco Subsidiary**" means Empresa Minera Acagold S.A. de C.V., a wholly-owned subsidiary of Acapulco governed by the laws of Mexico;

"**Affiliate**" means a Company that is affiliated with another Company as described below:

A Company is an "**Affiliate**" of another Company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A Company is "**controlled**" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

"**Amalco**" means the entity resulting from the Merger, to be known as "Vortex Holdings Ltd.";

"**Amalco Shares**" means the common shares in the capital of Amalco, as constituted following the Merger;

"**Asset Purchase Agreement**" means the amended and restated asset purchase agreement entered into between Acapulco, Acapulco Subsidiary, Paradex, Inc.,[1] and Minera Zalamera,[2] dated March 16, 2022 with respect to the acquisition of the Acapulco Property by Acapulco through its wholly-owned subsidiary, Acapulco Subsidiary, and as the same may be amended, restated, supplemented or otherwise modified from time to time;

"**Associate**" when used to indicate a relationship with a person or Company, means

(a) an issuer of which the person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the person or Company,

(c) any trust or estate in which the person or Company has a substantial beneficial interest or in respect of which a person or Company serves as trustee or in a similar capacity,

(d) in the case of a person, a relative of that person, including:

   (i) that person's spouse or child, or

   (ii) any relative of the person or of his spouse who has the same residence as that person, but

(e) where the TSXV determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding Company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the TSXV with respect to that Member firm, Member corporation or holding company;

"**Available Funds**" means the estimated working capital (total current assets less total current liabilities) which will be available to the Resulting Issuer (including the working capital of both of Victory and Acapulco, as at the most recent month end preceding the date of this Filing Statement, after giving effect to the Merger and the QT Financing;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

---

[1] In December 2021, David Jones, sole shareholder, director, and officer of the company passed away. The company is being represented by the Estate of David Jones. Jackie Rodriguez represents the Estate of David Jones.

[2] In December 2021, David Jones, sole shareholder, director, and officer of the company passed away. The company is being represented by the Estate of David Jones. Jackie Rodriguez represents the Estate of David Jones.

“**Board**” means the board of directors of Victory or the Resulting Issuer, as the context requires;

“**Closing**” means the completion of the Merger pursuant to the Merger Agreement;

“**Closing Date**” means the date of the Closing;

“**Closing Time**” means the effective time of the Closing on the Closing Date;

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the TSXV with respect to the completion of the Victory Qualifying Transaction;

“**Control Person**” means any person or Company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**CPC**” means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada,

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy, and

(c) in regard to which the completion of a Qualifying Transaction has not yet occurred;

“**CPC Escrow Agreement**” means the escrow agreement dated May 24, 2017 between Victory, the Escrow Agent, and certain shareholders of Victory;

“**CPC Escrow Shares**” means the securities of Victory held in escrow pursuant to the CPC Escrow Agreement;

“**CPC Policy**” means Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual;

“**Eligible Persons**” means the “Employees”, “Directors” or “Consultants” (as defined in the TSXV Corporate Finance Policies) for purposes of the Resulting Issuer Stock Option Plan;

“**Escrow Agent**” means Computershare Investors Services Inc., a trust corporation having an office in the City of Vancouver in its capacity as escrow agent pursuant to the terms of the CPC Escrow Agreement;

“**Exchange Ratio**” means 1:1;

“**Escrow Deadline**” means the date that is 120 days following the closing date of the first tranche of the QT Financing;

“**Escrow Release Conditions**” means the following conditions:

(a) written confirmation from each of Victory and Acapulco that all conditions to the completion of the Merger have been satisfied or waived, other than the release of the funds being held in escrow by the Odyssey Trust Company and the closing of the Merger, each of which will be completed forthwith upon release of the proceeds being held in escrow;

(b) the Resulting Issuer Shares being approved for listing on the TSXV and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the escrowed funds;

(c) the receipt of all shareholder, regulatory, and third-party approvals required for the Merger; and

(d) Acapulco and Victory shall have delivered the release notice to Odyssey Trust Company confirming that items (a) through (c), inclusive, have been satisfied.

"**Filing Statement**" means this filing statement, together with all schedules attached hereto and including the summary hereof;

"**Final Exchange Bulletin**" means the TSXV bulletin which is issued following the completion of a Qualifying Transaction and the submission of all required documentation and that evidences the final TSXV acceptance of a Qualifying Transaction;

"**IFRS**" means International Financial Reporting Standards;

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer,

(b) a director or senior officer of the company that is an Insider or subsidiary of the issuer,

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the issuer, or

(d) the issuer itself if it holds any of its own securities;

"**IPO**" means the initial public offering of the Victory Shares by Victory completed on November 23, 2017;

"**IPO Agency Agreement**" means the agency agreement dated May 24, 2017 between Victory and the IPO Agent;

"**IPO Agent**" means Gravitas Securities Inc.;

"**Issuer**" means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange;

"**Liquidation Event**" has the meaning ascribed thereto under "Part III – Information Concerning the Resulting Issuer – Description of Securities";

"**Member**" has the meaning ascribed thereto in Policy 1.1 – *Interpretation of the TSXV Corporate Finance Manual*;

"**Merger**" means the combination of the businesses of Victory and Acapulco by way of a reverse triangular merger of Victory Sub into Acapulco under the BCBCA, pursuant to which Acapulco will become a wholly-owned subsidiary of the Resulting Issuer in accordance with the Merger Agreement;

"**Merger Agreement**" means collectively, the merger agreement and amalgamation agreement entered into among Victory, Acapulco and Victory Sub dated February 5, 2021, as the same may be amended, restated, supplemented or otherwise modified from time to time, providing for, among other things, the Merger, the QT Financing, and the Completion of the Qualifying Transaction;

"**Minera Zalamera**" means Minera Zalamera S.A. de C.V. ;

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of a proposed Qualifying Transaction;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Person**" means a Company or individual;

"**Principals**" has the meaning attributable thereto in Policy 5.4 –*Escrow, Vendor Consideration and Resale Restrictions* of the TSXV Corporate Finance Manual;

"**Pro Forma Financial Statements**" means the unaudited *pro forma* statement of financial position for the Resulting Issuer as at September 30, 2021 to give effect to the Merger which is attached to this Filing Statement as Schedule "E";

"**Promoter**" means the definition prescribed by applicable Securities Laws;

"**QT Escrow Agreement**" means the Exchange Form 5D Escrow Agreement to be entered into in connection with the Completion of the Qualifying Transaction between the Resulting Issuer, Odyssey Trust Company and certain shareholders of Acapulco as more particularly described in this Filing Statement;

"**QT Financing**" means collectively, the Victory QT Financing and the Acapulco QT Financing, in aggregate raising gross proceeds of a minimum of $2,500,000 and up to a maximum of $4,500,000 through the issuance of the QT Subscription Receipts at a price of $0.20 per QT Subscription Receipt;

"**QT Financing Finder's Warrants**" means collectively, the Victory QT Financing Finder's Warrants and the Acapulco QT Financing Finder's Warrants;

"**QT Subscription Receipt**" means collectively, an Acapulco Subscription Receipt and a Victory Subscription Receipt;

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, and, specifically in the case of Victory, means the Merger all as more particularly described herein;

"**Release Conditions**" means the conditions set out in the Subscription Receipt Agreement that must be met to convert the QT Subscription Receipts into Resulting Issuer Shares;

"**Resulting Issuer**" means Victory (to be renamed "Vortex Metals Inc.") following completion of the Merger and the issuance of the Final Exchange Bulletin;

"**Resulting Issuer Options**" means the stock options of the Resulting Issuer exercisable for Resulting Issuer Shares;

"**Resulting Issuer Shares**" means the common shares of the Resulting Issuer upon Completion of the Qualifying Transaction;

"**Resulting Issuer Stock Option Plan**" means the stock option plan of the Resulting Issuer;

"**Resulting Issuer Warrants**" means the common shares purchase warrants of the Resulting Issuer exercisable for Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Shares for a period of twenty-four (24) months from the date of the issuance of the QT Financing Finder's Warrants;

"**Royalty**" means the 3.0% net smelter royalty with respect to the Acapulco Property;

"**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer;

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any concurrent transactions, would result in the CPC meeting the initial listing requirements of the TSXV;

"**Subscription Receipt Agreement**" means the subscription receipt agreement entered into between Acapulco, Victory and the Subscription Receipt Agent dated October 4, 2021 and as amended on February 1, 2022;

"**Subscription Receipt Agent**" means the Odyssey Trust Company;

"**subsidiary**" includes, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity;

"**Surplus Securities**" has the meaning attributable thereto in Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSXV Corporate Finance Manual;

"**SSRRs**" means Seed Share Resale Restrictions as defined in Exchange Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions,*

"**Tax Act**" means *Income Tax Act*, (Canada), as amended;

"**Transfer Agent, Registrar and Disbursing Agent Agreement**" means the transfer agent agreement dated May 24, 2017 between Victory and the Escrow Agent;

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange;

"**Value Securities**" has the meaning attributable thereto in Policy 5.4 –*Escrow, Vendor Consideration and Resale Restrictions* of the TSXV Corporate Finance Manual;

"**Value Security Escrow Agreement**" means the escrow requirements imposed by the Exchange Form 5D and Schedule B(1) Tier 1 Value Security Escrow Agreement on the Resulting Issuer Shares held by certain Acapulco shareholders, in connection with the Completion of the Qualifying Transaction as more particularly described in this Filing Statement;

"**Victory**" means Victory Capital Corp., a corporation governed by the laws of the Province of Ontario;

"**Victory Financial Statements**" means the audited financial statements of Victory for the periods ended December 31, 2020 and December 31, 2019, and the unaudited interim financial statements of Victory for the period ended September 30, 2021, which are attached to this Filing Statement as Schedule "A";

"**Victory MD&A**" means the Management's Discussion and Analysis of Victory for the period ended December 31, 2020 and the interim period ended September 30, 2021, which are attached to this Filing Statement as Schedule "B";

"**Victory Option Plan**" means the stock option plan of Victory;

"**Victory Options**" means the options granted pursuant to the Victory Option Plan, entitling the holders thereof to acquire Victory Shares;

"**Victory Qualifying Transaction**" means the Qualifying Transaction of Victory with Acapulco as disclosed herein;

"**Victory QT Financing**" means the non-brokered private placement of Victory Subscription Receipts by Victory;

"**Victory QT Financing Finder's Warrants**" means the common share purchase warrants issued to certain finders in connection with the Victory QT Financing upon Completion of the Qualifying Transaction, where each such warrant is exercisable for one Victory Share at a price of $0.20 per Victory Share for a period twenty-four (24) months from the date of issuance;

"**Victory Share**" means a common share in the capital of Victory prior to the Completion of the Qualifying Transaction;

"**Victory Shareholder**" means a holder of Victory Shares prior to the Completion of the Qualifying Transaction;

"**Victory Sub**" means 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory incorporated under the BCBCA;

“**Victory Sub Shares**” means the common shares in the capital of Victory Sub;

“**Victory Subscription Receipts**” means the subscription receipts of Victory comprised of one Victory Share issued during the Victory QT Financing at a price of $0.20 per subscription receipt; and

“**Voting Shares**” means a security of an Issuer that:

(a) is not a debt security, and,

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements that relate to Victory's and Acapulco's current expectations and views of future events. The forward-looking statements are contained principally in the sections titled *"Summary of Filing Statement"* and *"Information Concerning the Resulting Issuer"*.

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "plan", "believe", "aim", "seek" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Victory and Acapulco have based these forward-looking statements on their current expectations and projections about future events and financial trends that they believe may affect Victory, Acapulco and the Resulting Issuer's financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to Acapulco and the Resulting Issuer include, among other things, statements relating to:

- expectations regarding its revenue, expenses and operations;
- the completion of the Merger in accordance with the terms of the Merger Agreement;
- anticipated cash needs and its needs for additional financing;
- plans for timing and the expenses of the exploration of the Acapulco Property;
- closing of the Asset Purchase Agreement;
- future growth plans;
- ability to attract and retain personnel;
- competitive position and its expectations regarding competition; and
- anticipated trends and challenges in Acapulco's business and the local market in which it operates.

Forward-looking statements relating to Victory include, among other things, statements relating to:

- the completion of the Merger in accordance with the terms of the Merger Agreement;
- the terms on which the Merger is intended to be completed; and
- the ability to complete any Qualifying Transaction.

Forward-looking statements are based on certain assumptions and analysis made by Victory and Acapulco in light of their experience and perception of historical trends, current conditions and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to general economic conditions, the Canadian and Mexico's legislative and regulatory environment, the impact of increasing competition, the ability to obtain regulatory and shareholder approvals. Although Victory and Acapulco believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to Victory or Acapulco's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- Failure to obtain all regulatory approvals and requirements for the Completion of the Qualifying Transaction;
- Following Completion of the Qualifying Transaction, the Resulting Issuer may Issue Additional Equity Securities;
- Limited operating history;
- Negative Operating Cash Flow and Dependence on Third Party Financing;
- Uncertainty of Additional Funding;
- Competitive Conditions;
- Reliance Upon Management;
- Conflicts of Interest;

- Permits and Licences;
- Political Regulatory Risks;
- Volatility of Share Price;
- Liquidity;
- Dividends;
- COVID-19 Pandemic;
- Potential Political, Social and Economic Instability in Mexico;
- Mexican Taxes Affecting Cost Estimates;
- Mining Tax Regime Risk;
- Access to Mineral Properties;
- No Known Mineral Reserves or Mineral Resources;
- Title to Properties;
- Exploration Risks; and
- Environmental and other Regulatory Requirements.

The above risks, uncertainties, assumptions and other factors could cause Victory, Acapulco and the Resulting Issuer's actual results, performance, achievements and experience to differ materially from Victory and Acapulco's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this Filing Statement relate only to events or information as of the date on which the statements are made in this Filing Statement. Except as required by law, Victory, Acapulco and the Resulting Issuer undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Filing Statement with the understanding that Victory, Acapulco and the Resulting Issuer's actual future results may be materially different from what is expected.

INFORMATION PERTAINING TO ACAPULCO

The information contained or referred to in this Filing Statement with respect to Acapulco and the Resulting Issuer (assuming the Completion of the Qualifying Transaction) and the industry and locality in which it operates has been provided by the management of Acapulco and is the responsibility of Acapulco. Management of Victory has relied upon Acapulco for the accuracy of the information provided by Acapulco without independent verification.

NOTICE TO INVESTORS

Currency Presentation

Unless otherwise specified, all dollar amounts referenced in this Filing Statement and in the financial statements of Victory and Acapulco are in Canadian dollars and referred to as "$".

Financial Statement Information

The audited annual financial statements of Victory contained in this Filing Statement have been prepared in accordance with IFRS and are denominated in Canadian dollars. The unaudited *pro forma* financial statements of the Resulting Issuer contained in this Filing Statement have been prepared on the basis of presentation as described in the *Pro Forma* Financial Statements and are denominated in Canadian dollars.

The interim and annual financial statements of Acapulco contained in this Filing Statement have been prepared in accordance with IFRS and are denominated in Canadian dollars.

Market Data

Unless otherwise indicated, information contained in this Filing Statement concerning the industry and markets in which Acapulco operates, including its general expectations and market in which it operates are based on information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from Acapulco's internal research, and are based on assumptions made by Acapulco based on such data and its knowledge of such industry and markets, which Acapulco believes to be reasonable. Acapulco's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While Acapulco believes the market information included in this Filing Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of Acapulco's future performance and the future performance of the mining property in which Acapulco is looking to operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the "*Risk Factors*".

Enforcement of Legal Rights

Acapulco is incorporated under the BCBCA. Acapulco's business operations, through the Acapulco Subsidiary, are in Mexico. Acapulco's registered office is in Vancouver, British Columbia. All of Acapulco's assets are located outside Canada. The registered office of the Acapulco Subsidiary is in Chihuahua, Mexico and its head office is in Chihuahua, Mexico. As a result, shareholders may not be able to effect service of process within Canada upon Acapulco Subsidiary or its administrators or officers or to enforce judgements against Acapulco Subsidiary or its administrators or officers in Canadian courts predicated on Canadian Securities Laws. It may also be difficult for a shareholder to bring an original action in a Mexican or other foreign court predicated upon the civil liability provisions of the securities laws of Mexico against Acapulco, Acapulco Subsidiary or these persons.

It may be possible for civil liabilities predicated upon Canadian Securities Laws to be enforced through proceedings commenced in the courts of Mexico or other jurisdictions, assuming such liabilities constitute a cause of action that is recognizable under the laws of Mexico or other jurisdictions. Judgments of Canadian courts based upon the civil liability provisions of Canadian Securities Laws may not, however, be enforceable against Acapulco in Mexico or other jurisdictions.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Victory, Acapulco and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

THE COMPANIES

Victory Capital Corp.

Victory was incorporated pursuant to the provisions of the OBCA on November 6, 2009. The full corporate name of Victory is "Victory Capital Corp.". The Victory Shares were first listed for trading on the TSXV under the symbol "VIC.P" on November 23, 2017. Victory is a CPC pursuant to the CPC Policy, and since its incorporation it has not carried on any business or operations other than identifying and evaluating business opportunities for the purposes of completing a Qualifying Transaction. Trading of the Victory shares has been halted by the TSXV since November 29, 2019 due to Victory's failure to complete a Qualifying Transaction within two years of its listing date. The market price of the Victory Shares on the TSXV on November 28, 2019, the last day of trading immediately prior to the halt, was $0.10 per Victory Share.

The registered and records office of Victory is located at 120 Adelaide Street West, Suite 2500 Toronto, Ontario M5H 1T1 Canada.

Victory has one wholly-owned subsidiary, 1287878 B.C. Ltd. ("**Victory Sub**"), which was incorporated on February 4, 2021, pursuant to the filing of articles of incorporation under the BCBCA for the purposes of the Merger. The registered office of Victory Sub is located at Royal Centre, 1055 W Georgia St #1500, Vancouver, British Columbia V6E 4N7.

Acapulco Gold Corp.

Acapulco is a private company and was incorporated pursuant to the provisions of the BCBCA on February 1, 2011. The full corporate name of Acapulco is "Acapulco Gold Corp.". On November 20, 2020 Acapulco effected a share consolidation (the "**Consolidation**") on the basis of three (3) pre-Consolidation Acapulco Common Shares for one (1) Acapulco post-Consolidation Common Share. Acapulco's business operations are in Mexico. Acapulco's registered and head office is located at 103-145 15th Street West, North Vancouver, British Columbia, V7M 1R9.

Acapulco has one operating subsidiary, "Empresa Minera Acagold S.A. de C.V.", which will hold exclusive ownership to the Acapulco Property in accordance with the Asset Purchase Agreement. Acapulco Subsidiary was incorporated under the laws of Mexico on September 19, 2011 and has its registered office at the City of Chihuahua, State of Chihuahua, Mexico. No public market exists for the securities of Acapulco or Acapulco Subsidiary as of the date hereof.

THE QUALIFYING TRANSACTION

The Qualifying Transaction

On November 24, 2020, Acapulco entered into the Letter of Intent with Victory with respect to the Completion of the Qualifying Transaction (the "**Letter of Intent**"). On February 5, 2021, Acapulco entered into the Merger Agreement with Victory which superseded and replaced the Letter of Intent. The Merger pursuant to the Merger Agreement is intended to result in the reverse take-over of Victory by Acapulco, which, upon completion, will constitute a Qualifying Transaction for Victory under CPC Policy, and result in the Acapulco Shareholders owning the substantial majority of the Resulting Issuer Shares.

Pursuant to the terms of the Merger Agreement, Victory will acquire 100% of the issued and outstanding securities of Acapulco by way of a "three-cornered" amalgamation pursuant to which Acapulco and Victory Subco will amalgamate pursuant to the provisions of the BCBCA to form "Vortex Holdings Ltd.", which will be a wholly-owned subsidiary of the Resulting Issuer.

Upon Completion of the Qualifying Transaction, each Acapulco Shareholder will be entitled to receive that number of Resulting Issuer Shares as is equal to the number of Acapulco Common Shares held by such Acapulco Shareholder multiplied by the Exchange Ratio.

As at the date of this Filing Statement, Victory has 5,088,750 Victory Shares issued and outstanding, 1,445,000 Victory Subscription Receipts which will convert into 1,445,000 Victory Shares upon the satisfaction of the Escrow Release Conditions, as well as 407,100 Victory Options. In addition, pursuant to the Victory QT Financing, there will be 115,600 Victory QT Financing Finder's Warrants outstanding upon Completion of the Qualifying Transaction, each will be exercisable for one Resulting Issuer Share at a price of $0.20 for a period of 24 months from the date of issuance.

As at the date of this Filing Statement, there are 6,744,104 Acapulco Common Shares issued and outstanding, 20,215,000 Acapulco Subscription Receipts which will convert into 20,215,000 Acapulco Common Shares upon the satisfaction of the Escrow Release Conditions. In addition, pursuant to the Acapulco QT Financing, there will be 1,617,200 Acapulco QT Financing Finder's Warrants outstanding upon Completion of the Qualifying Transaction, each will be exercisable for one Resulting Issuer Share at a price of $0.20 for a period of 24 months from the date of issuance.

At the time of Completion of the Qualifying Transaction, the Resulting Issuer will assume the obligations of Acapulco and change its name to "Vortex Metals Inc.".

Steps of the Victory Qualifying Transaction

The Victory Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction and as such, Victory Shareholders are not required to approve the Victory Qualifying Transaction.

The Acapulco Shareholders approved the Merger by way of the Acapulco Special Resolution.

Upon the satisfaction and/or waiver of the conditions of the completion of the Merger, including, without limitation, obtaining the requisite shareholder and regulatory approvals, Victory Sub and Acapulco will jointly file the Articles of Amalgamation with the Registrar.

At the Closing Time of the Merger and as a result of the Merger:

(a) each holder of Acapulco Common Shares shall receive that number of fully paid and non-assessable Resulting Issuer Shares as is equal to the number of Acapulco Common Shares held by such holder immediately prior to the Closing Time multiplied by the Exchange Ratio, following which all such Acapulco Common Shares shall be cancelled;

(b) Victory shall receive one fully paid and non-assessable Amalco Share for each Victory Sub Share held by Victory, following which all such Victory Sub Shares shall be cancelled;

(c) in consideration of the issuance of Resulting Issuer Shares to Acapulco Shareholders, Amalco shall issue to Victory one hundred (100) Amalco Shares;

(d) to the extent permitted by law, Amalco shall add to the capital account maintained in respect of the Amalco Shares an amount equal to the aggregate of: (i) the paid-up capital (for the purposes of the *Income Tax Act* (Canada)), determined immediately prior to the Merger, of the Victory Sub Shares; and (ii) the paid-up capital (for the purposes of the *Income Tax Act* (Canada)), determined immediately prior to the Merger, of the Acapulco Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Shares upon the Merger;

(e) to the extent permitted by law, the Resulting Issuer shall add to the capital account maintained in respect of the Resulting Issuer Shares an amount equal to the paid-up capital (for the purposes of the *Income Tax Act* (Canada)), determined immediately prior to the Merger, of the Acapulco

Common Shares that are exchanged, or deemed to be exchanged, for Resulting Issuer Shares upon the Merger;

(f) Amalco will become a wholly-owned subsidiary of Victory; and

(g) the Resulting Issuer shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by the Merger Agreement to any holder of Acapulco Common Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, 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 the holder of Acapulco Common Shares, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

At the Closing Time, the registered holders of Acapulco Common Shares immediately prior to the Closing Time shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled and shall receive such Resulting Issuer Shares through the “push-out” method. The Transfer Agent, will push out direct registration system advice to all holders of Acapulco Common Shares and advise them of the number of Resulting Issuer Shares such holder is now deemed to hold. The direct registration advice will replace any existing share certificate representing Acapulco Common Shares. Currently outstanding share certificates representing the Acapulco Common Shares should be retained by the holders thereof and forwarded to the Resulting Issuer or the transfer agent of Acapulco immediately. No direct registration system advice for fractional Resulting Issuer Shares will be issued, and fractional Resulting Issuer Shares will be rounded down and no shareholder of the Resulting Issuer will be entitled to any compensation in respect of a fractional Resulting Issuer Share.

Upon Completion of the Qualifying Transaction, each Acapulco Shareholder will be entitled to receive that number of Resulting Issuer Shares as is equal to the number of Acapulco Common Shares held by such Acapulco Shareholder multiplied by the Exchange Ratio.

Victory, as the registered holder of all of the issued and outstanding Victory Sub Shares, shall be deemed to be the registered holder of all of the issued and outstanding Amalco Shares including the 100 additional Amalco Shares Victory is entitled to receive as consideration for the issuance of Resulting Issuer Shares to Acapulco Shareholders, and upon surrendering the certificates representing such Victory Sub Shares to Amalco, Victory shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled.

As of the Closing Time, each current member of the Board, will resign, and the following persons will be appointed to the Resulting Issuer Board: Michael Williams, John Larson, and Vikas Ranjan, with each appointee being subject to acceptance by the TSXV and other regulatory bodies.

Net Smelter Royalty

The Resulting Issuer will also grant a 3% Royalty over the Acapulco Property equally to Paradex Inc. and Scharfe Holdings (each receiving a 1.5% royalty) pursuant to a net smelter royalty agreement to be entered (the “**Royalty Agreement**”).

The Royalty shall be paid on the Gross Revenue (as defined herein) minus Permissible Deductions (as defined herein) from the Acapulco Property, being the aggregate of the following amounts received in each quarterly period:

1. all revenue received by the Resulting Issuer from the commercial production of the Acapulco Property in such quarter from arm’s length purchasers of Mineral Products (as such term is defined in the Royalty Agreement), or

2. the fair market value of all Mineral Products sold by the Resulting Issuer in such quarter to persons not dealing at arm’s length with the mine operator; and

3. any proceeds of insurance received in such quarter due to losses or damages in respect to Mineral Products.

(collectively, the "**Gross Revenue**")

The permissible deductions paid in each quarterly period that shall be subtracted from the Gross Revenue shall be:

1. sales charges levied by any sales agent in respect to the sale of Mineral Products;

2. all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Resulting Issuer in connection with the refinement or beneficiation of Mineral Products after leaving any of the Acapulco Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges and any penalties charged by the processor, refinery or smelter; and

3. all taxes, levies, duties, and any other fees imposed by governmental or quasi-governmental authorities provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Resulting Issuer in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the *Income Tax Act* (Canada)), such costs or expenses may be deducted, but only as to the lesser of the actual cost incurred by the Resulting Issuer and the fair market value thereof considering the time of such transaction and under all the circumstances thereof.

(collectively, the "**Permissible Deductions**").

The Royalty shall be calculated on a quarterly basis and paid within 45 days after the end of the calendar quarters ending March 31, June 30, September 30 and December 31 of each calendar year.

The Royalty is being granted to Paradex Inc. as the former title owner of the Acapulco Property and to compensate it for giving up on 100% of the upside of the Acapulco Property by vending such asset into the Resulting Issuer via the Victory Qualifying Transaction. Paradex Inc. has agreed to grant the half of the Royalty to Scharfe Holdings for its various roles performed to help advance the mining asset and the value creation of the Acapulco Property, including the following services provided: structuring the Victory Qualifying Transaction, sourcing the executive team of the Resulting Issuer with sufficient mining experience, identifying onboarding service providers, and facilitating the QT Financing.

Completion of the Victory Qualifying Transaction

The Victory Qualifying Transaction will be completed and the Merger will become effective at the Closing Time. It is currently anticipated that the Closing Date will be on or about April 22, 2022.

Following completion of the Victory Qualifying Transaction the Resulting Issuer Shares are expected to be listed on the TSXV under the trading symbol "VMS" and Victory will change its name to "Vortex Metals Inc.". See "*Information Concerning the Resulting Issuer – Description of Resulting Issuer Securities*".

In connection with the completion of the Victory Qualifying Transaction, 1,587,205 Resulting Issuer Shares will be issued to certain arm's length finders as a finders fee in connection with services provided for the Victory Qualifying Transaction. The 1,587,205 Finder's Shares are being issued by the Company to both Scharfe Holdings and Aventus Capital in consideration for services provided in connection with the structuring of the Victory Qualifying Transaction and identifying a capital pool company.

Conditional Listing Approval

The TSXV has conditionally accepted the Victory Qualifying Transaction subject to Victory and Acapulco fulfilling all of the requirements of the TSXV on or before June 28, 2022.

Capitalization of the Resulting Issuer

Upon Completion of the Qualifying Transaction and subject to the approval of the TSXV, it is expected that the Resulting Issuer will be listed on the TSXV as a Tier 2 Mining Issuer (as such term is defined in the TSXV Corporate Finance Manual). The Resulting Issuer will maintain its registered office at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3. The head office of the Resulting Issuer will be Suite 1500, 409 Granville St., Vancouver, British Columbia V6C 1T2.

Upon Completion of the Qualifying Transaction:

(a) an aggregate of 60,080,059 Resulting Issuer Shares will be issued and outstanding (assuming the minimum issuance pursuant to the QT Financing), consisting of:

  (i) 6,744,104 Resulting Issuer Shares issued to the existing holders of Acapulco Common Shares;

  (ii) 21,660,000 Resulting Issuer Shares issued to the holders of Subscription Receipts;

  (iii) 5,088,750 Resulting Issuer Shares currently held by the Victory Shareholders;

  (iv) 25,000,000 Resulting Issuer Shares issued to Paradex Inc. and various other parties,[3] upon the completion of the purchase of the Acapulco Property; and

  (v) 1,587,205 Resulting Issuer Shares issued as finders fee shares upon completion of the qualifying transaction.

(b) an aggregate of 6,639,900 securities convertible into Resulting Issuer Shares will be outstanding, consisting of:

  (i) Resulting Issuer Options to purchase 4,907,100 Resulting Issuer Shares pursuant to the Victory Options; and

  (ii) Resulting Issuer Warrants to purchase 1,732,800 Resulting Issuer Warrants pursuant to the QT Financing Finder's Warrants.

QT Financing

As a condition to the closing of the Merger, the parties will complete the QT Financing of a minimum issuance of an aggregate of 12,500,000 QT Subscription Receipts and up to a maximum issuance of 22,500,000 QT Subscription Receipts, at a price per QT Subscription Receipt of $0.20 for total gross proceeds of a minimum of $2,500,000 and up to a maximum of $4,500,000. Each Acapulco Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Acapulco Common Share upon satisfaction of the Escrow Release Conditions at any time prior to the Escrow Deadline. Each Victory Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Victory Share upon satisfaction of the Escrow Release Conditions at any time prior to the Escrow Deadline. For avoidance of doubt, each QT Subscription Receipt shall result in the issuance of one Resulting Issuer Share following completion of the Merger.

On October 4 2021, Victory completed the Victory QT Financing issuing an aggregate of 1,445,000 Victory Subscription Receipts at a price of $0.20 per Victory Subscription Receipt for aggregate gross proceeds of $289,000. In connection with the completion of the Victory QT Financing and upon Completion of the Qualifying Transaction,

---

[3] 7,5000,000 Resulting Issuer Shares will be issued to Paradex Inc. and 17,500,000 Resulting Issuer Shares will be allocated to various parties. All 25,000,000 Resulting Issuer Shares issued in connection with the purchase of the Acapulco Property shall be subject to a Value Security Escrow Agreement.

Victory will issue 115,600 Victor QT Financing Finder's Warrants to certain finders and pay a cash fee in the amount of $23,120.

Over four tranches taking place on October 4 2021, October 5, 2021, November 19, 2021, and November 22, 2021 Acapulco completed the Acapulco QT Financing issuing an aggregate of 20,215,000 Acapulco Subscription Receipts at a price of $0.20 per Acapulco Subscription Receipt for aggregate gross proceeds of $4,043,000. In connection with the completion of the Acapulco QT Financing and upon Completion of the Qualifying Transaction, Acapulco will issue 1,617,200 Acapulco QT Financing Finder's Warrants to certain finders and pay a cash fee in the amount of $323,440.

On February 1, 2022, each of Victory and Acapulco and the Subscription Receipt Agent amended their respective Subscription Receipt Agreements to extend the escrow release deadline for completing the Escrow Release Conditions to July 31, 2022.

Estimated Available Funds and Principal Purposes

Estimated Available Funds

The following table sets out the estimated funds available to the Resulting Issuer following the Completion of the Qualifying Transaction:

Estimated Funds Available	Amount ($)
Estimated working capital of Victory as at February 28, 2022(1)	(98,258)
Estimated working capital of Acapulco as at February 28, 2022 (2)(4)	(387,520)
Estimated gross proceeds from the QT Financing	4,332,000
Estimated transaction costs - QT Financing	(346,560)
Estimated cash payment for property acquisition (3)	(200,000)
Estimated transaction costs – corporate finance fees	(50,000)
Estimated transaction costs – audit fees	(50,000)
Estimated transaction costs – legal costs	(150,000)
Estimated transaction costs – miscellaneous	(40,000)
Total Estimated Available Funds	**3,009,662**

Notes:

(1) Cash related to the QT Financing has been removed from working capital of Victory as at February 28, 2022 in the amount of $289,000, as it is added in on the line below.

(2) Cash related to the QT Financing has been removed from working capital of Acapulco as at February 28, 2022 in the amount of $4,043,200, as it is added in on the line below.

(3) To acquire 100% interest in the Acapulco Property, Acapulco will issue a total of 25,000,000 Acapulco Common Shares and pay $200,000 to Minera Zalamera.

(4) To acquire 100% interest in the Acapulco Property, Acapulco will pay $32,000 to Minera Zalamera, or such other party as Mineral Zalamera directs, representing expenses incurred in relation to the Acapulco Property which have already accrued in Acapulco working capital.

Principal Purposes of Funds

The following table sets forth the principal purposes for which the estimated funds available upon Completion of the Qualifying Transaction will be used over the subsequent 12-month period:

Principal Use of Available Funds	**Amount ($)**
Estimated General and Administrative Costs	852,500
Estimated Investor Relation Costs	75,000
Estimated Lease Payments	50,000
Estimated Property Taxes Payable with respect to the Acapulco Property (for calendar years 2021 and 2022)	400,000
Estimated Phase 1 Exploration Costs(1)	1,496,000
Unallocated Working Capital	136,162
Total:	**3,009,662**

Notes:

(1) Estimated Phase 1 exploration costs are estimated to be USD$1,175,000, converted as at February 28, 2022 using an exchange rate of CAD$1.27352/USD$1.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds is necessary in order for the Resulting Issuer to achieve its objectives as set out in this Filing Statement.

Selected Pro-Forma Consolidated Financial Information

The following table sets out certain financial information for Victory and Acapulco as at September 30, 2021 after giving effect to the Completion of the Qualifying Transaction and the QT Financing as well as certain other adjustments, and should be read in conjunction with the pro forma consolidated financial statements and the notes thereto of the Resulting Issuer attached hereto as Schedule "E":

Balance Sheet Data	**As of September 30, 2021**
Current Assets	$3,357,180
Total Assets	$8,874,919
Current Liabilities	$244,816
Total Liabilities	$244,816
Shareholders' Equity	$8,630,103

Interests of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of Victory and their respective Associates and Affiliates (before giving effect to the Victory Qualifying Transaction) have any interest in Acapulco.

Non-Arm's Length Qualifying Transaction

The proposed Victory Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Market For Securities And Market Price

The Victory Shares are listed on the TSXV under the trading symbol "VIC.P". Trading of the Victory Shares has been halted by the TSXV since November 29, 2019, for failure to complete a Qualifying Transaction within two years of Victory's listing date. The market price of the Victory Shares on the TSXV on November 28, 2019, the last day of trading immediately prior to the halt, was $0.10 per Victory Share. It is anticipated that the Victory Shares will resume trading on the TSXV upon Completion of the Qualifying Transaction under the symbol "VMS".

The Acapulco Common Shares are not listed on any stock exchange and there is currently no public market for Acapulco Common Shares.

Conflicts Of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the closing of the Merger are also directors, officers and/or Promoters of other reporting and non-reporting issuers. To the knowledge of the directors and officers of Victory and Acapulco, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon completion of the Merger, as of the date of this Filing Statement.

Interests Of Experts

Except as disclosed herein, except auditors, no person or Company whose profession or business gives authority to a statement made by the person or Company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1% of the Victory Shares or Acapulco Common Shares, or holds any property of Victory or Acapulco or of an Associate or Affiliate of Victory or Acapulco and no such person is expected to be elected, appointed or employed as director, senior officer or employee of Victory or Acapulco or of an Associate or Affiliate of the Resulting Issuer and no such person is a Promoter of Victory or Acapulco or an Associate or Affiliate of Victory or Acapulco.

Risk Factors

The Victory Qualifying Transaction is subject to a number of risk factors inherent to similar transactions of this nature. Additional risks and uncertainties may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following completion of the Victory Qualifying Transaction. These risks include, but are not limited to: risks relating to the issuance of additional Resulting Issuer Shares in the future; increased price volatility of the Resulting Issuer Shares following completion of the Victory Qualifying Transaction; the requirements of being a reporting issuer; the exploration of the Acapulco Property; risks inherent in operating a mining property in Mexico; compliance with applicable laws, changes in laws, regulations and guidelines; business strategy; risks inherent in its mining and exploration business; competition; dependence on key management personnel; conflicts of interest; liquidity and additional financing; difficulty to forecast; reputational risks to third parties; management of growth; equity price risk; anti-money laundering laws and regulation risks; changes to technology and market trends; challenging global financial conditions; credit and liquidity risk; changes in demand with respect to commodities; volatility in commodity prices; litigation; cybersecurity risks; and demand volatility. Risks involving the Victory Qualifying Transaction and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Victory Qualifying Transaction are discussed under the heading "*Information Concerning the Resulting Issuer – Risk Factors*". Although Victory and Acapulco have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and Victory and Acapulco do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

PART I – INFORMATION CONCERNING VICTORY

Corporate Structure

Victory Capital Corp.

Victory was incorporated pursuant to the provisions of the OBCA on November 6, 2009. The full corporate name of Victory is "Victory Capital Corp.". The Victory Shares were first listed for trading on the TSXV under the symbol "VIC.P" on November 23, 2017. Victory is a CPC pursuant to the CPC Policy, and since its incorporation it has not carried on any business or operations other than identifying and evaluating business opportunities for the purposes of completing a Qualifying Transaction. Trading of the Victory Shares has been halted by the TSXV since November 29, 2019, for failure to complete a Qualifying Transaction within two years of Victory's listing date. The market price of the Victory Shares on the TSXV on November 28, 2019, the last day of trading immediately prior to the halt, was $0.10 per Victory Share.

The registered and records office of Victory is located at 120 Adelaide Street West, Suite 2500 Toronto, Ontario M5H 1T1 Canada.

Victory has one wholly-owned subsidiary, Victory Sub, which was incorporated on February 4, 2020, pursuant to the filing of articles of incorporation under the BCBCA for the purposes of the Merger. The registered office of Victory Sub is located at Royal Centre, 1055 W Georgia St #1500, Vancouver, British Columbia V6E 4N7.

General Development Of The Business

History

Victory is a CPC created pursuant to the policies of the TSXV. Victory does not own any assets, other than cash or cash equivalents and its rights under the Merger Agreement. The principal business of Victory is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the TSXV so as to complete a Qualifying Transaction in accordance with the policies of the TSXV.

Victory completed its initial public offering on May 24, 2017. The Victory Shares were listed on the TSXV on May 24, 2017 and began trading on November 23, 2017. On November 29, 2019, trading in the Victory Shares was halted. Trading remains halted as of the date of this Filing Statement.

Selected Financial Information

Since incorporation, Victory has incurred costs in carrying out the IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the TSXV.

The following tables set forth selected historical financial information for Victory for the period ended September 30, 2021 and the years ended December 31, 2020 and December 31, 2019 and selected balance sheet data for such periods. The financial statements of Victory have been prepared in accordance with IFRS and are denominated in Canadian dollars. Such information is derived from Victory's financial statements and should be read in conjunction with such financial statements included elsewhere in this Filing Statement, including those financial statements attached hereto as Schedule "A".

Balance Sheet Data	As at September 30, 2021 (Unaudited)	As at December 31, 2020 (Audited)	As at December 31, 2019 (Audited)
Cash and cash equivalents	$180,801	$426,284	$524,218
Total assets	$282,583	$441,329	$524,218
Total liabilities	$87,372	$33,631	$16,028
Shareholders' equity	$195,211	$407,698	$508,190

Income Statement Data	For the nine-month period ended September 30, 2021 (Unaudited)	For the period ended December 31, 2020 (Audited)	For the period ended December 31, 2019 (Audited)
Total Revenue	Nil	Nil	Nil
Total expenses	$212,487	$100,537	$67,164
Net income (loss)	($212,487)	($100,492)	($67,164)

Management's Discussion and Analysis

The Victory MD&A for the period ended September 30, 2021 and the year ended December 31, 2020 are attached hereto as Schedule "B". The Victory MD&A should be read in conjunction with the Victory Financial Statements where applicable.

Description Of The Securities

Victory Shares

Victory is authorized to issue an unlimited number of Victory Shares, of which 5,088,750 Victory Shares are issued and outstanding as of the date hereof. In addition, as of the date hereof, up to 407,100 Victory Shares are reserved for Victory Options granted to directors, officers, former directors, and former officers of Victory.

The holders of Victory Shares are entitled to dividends if, as and when declared by the Board; and to receive notice of and one vote per Victory Share at meetings of the Victory Shareholders and, upon liquidation, dissolution or winding up of Victory, to share rateably in such assets of Victory as are distributable to the holders of Victory Shares. All Victory Shares which are to be outstanding after Completion of the Qualifying Transaction will be fully paid and non-assessable. This summary does not purport to be complete and reference is made to the articles of incorporation and by-laws of Victory for a complete description of these securities and the full text of their provisions.

Victory Subscription Receipts

Each Victory Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Victory Share upon satisfaction of the Escrow Release Conditions at any time prior to the Escrow Deadline. For avoidance of doubt, each Victory Subscription Receipt shall result in the issuance of one Resulting Issuer Share following completion of the Merger.

As of the date of this Filing Statement, there are 1,445,000 Victory Subscription Receipts issued and outstanding.

Victory Finder's Warrants

Each Victory QT Financing Finder's Warrant entitles the holder to receive one Victory Share for a price of $0.20 per Victory Share for a period of twenty-four (24) months from the date of issuance.

Upon Completion of the Qualifying Transaction, there will be 115,600 Victory QT Financing Finder's Warrants issued and outstanding.

Stock Option Plan

Summary of Plan

On June 29, 2021, the shareholders of Victory adopted the Victory Option Plan which provides that the board of directors of Victory may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and consultants to Victory, the Victory Options to purchase Victory Shares, provided that the number of Victory Shares issuable under the plan, together with all of Victory's other previously established or proposed share compensation arrangements, may not, exceed 10% of the total number of issued and outstanding Victory Shares at the time of the grant to an Eligible Person (as defined herein).

The Victory Option Plan is established to provide incentives to qualified parties to increase their proprietary interest in Victory and thereby encourage their continuing association with Victory. The Victory Option Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of Victory or a subsidiary of Victory.

The material terms of the proposed Victory Option Plan are as follows:

(a) options may be granted to any eligible person under the Victory Option Plan (each an "**Eligible Person**"), being a bona fide: director, officer, employee, management company employee, or consultant of Victory;

(b) Victory shall not grant options to any one person in any 12 month period which could, when exercised, result in the issuance of Victory Shares exceeding 5% of the issued and outstanding Victory Shares;

(c) Victory shall not grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of common shares exceeding 2% of the issued and outstanding Victory Shares;

(d) Victory shall not grant options to any person providing Investor Relations Activities (as defined in the TSXV's Corporate Finance Manual), promotional, or market-making services;

(e) Victory shall not grant options in any 12 month period, to persons employed or engaged by Victory to perform investor relations activities which could, when exercised, result in the issuance of Victory Shares exceeding, in the aggregate, 2% of the issued and outstanding Victory Shares;

(f) the exercise price of an option shall be set by the Board at the time such option is allocated under the Victory Option Plan and shall not be the lesser of: (i) $0.10; and (ii) the Discounted Market Price (as defined in the TSXV's Corporate Finance Manual);

(g) an option granted under the Victory Option Plan can be exercisable up to a maximum of ten years from the respective option's effective date;

(h) if any option expires or otherwise terminates for any reason without having been exercised in full, the number of Victory Shares in respect of which the option expired or terminated shall again be available for the purposes of the Victory Option Plan; and

(i) an option granted to an Eligible Person will expire on the day which is 12 months after the date the respective Eligible Person ceases to be employed by or provide services to Victory.

Any Victory Shares acquired pursuant to the exercise of options under the Victory Option Plan prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "*Escrowed Securities*".

Stock Options Granted

As of the date of this Filing Statement, there are outstanding Victory Options to acquire an aggregate of 407,100 Victory Shares as follows:

Name	Number of Victory Shares Under Option	Exercise Price per Victory Share	Expiry Date
Roger He	101,775	$0.20	November 24, 2026
Robert Geisthardt	101,775	$0.20	November 24, 2026
Greg Johnston	101,775	$0.20	November 24, 2026
Raj Dewan	101,775	$0.20	December 8, 2027
Total:	**407,100**		

Prior Sales

Since the date of incorporation of Victory, 5,088,750 Victory Shares and have been issued and are outstanding as of the date of this Filing Statement, and 1,445,000 Victory Subscription Receipts are issued and outstanding as of the date of this Filing Statement, as follows:

Date Issued	Number and Type of Security Issued	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
August 24, 2017	1,200,000 Victory Shares	$0.10	$120,000	Cash
November 14, 2017	3,888,750 Victory Shares	$0.20	$777,750	Cash
October 4, 2021	1,445,000 Victory Subscription Receipts	$0.20	$289,000	Cash
November 24, 2021	305,325 Victory Options	N/A	N/A	N/A

TSXV Price

On November 23, 2017 the Victory Shares were listed on the TSXV under the symbol VIC.P. On November 29, 2019, trading in the Victory Shares was halted. Trading remains halted as of the date of this Filing Statement. Upon Completion of the Qualifying Transaction, it is anticipated that the Victory Shares will be listed on the TSXV under the symbol “VMS”.

Arm’s Length Party Transaction

The Merger does not constitute a Non-Arm’s Length Qualifying Transaction within the meaning of the CPC Policy.

Interests of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of Victory and their respective Associates and Affiliates (before giving effect to the Victory Qualifying Transaction) have any interest in Acapulco.

Legal Proceedings

There are no legal proceedings material to Victory to which Victory is a party to or of which any of its property is the subject matter, and there are no such proceedings known to Victory to be contemplated.

Auditor, Transfer Agent And Registrar

The auditor of Victory is MNP LLP located at 111 Richmond St W #300, Toronto, Ontario M5H 2G4.

The transfer agent and registrar for the Victory Shares is Computer Investor Services Inc. at its principal office located in the City of Vancouver, British Columbia.

Material Contracts

Victory has not entered into any material contracts and will not enter into any material contracts prior to the Completion of the Qualifying Transaction, other than:

- the Transfer Agent, Registrar and Disbursing Agent Agreement;
- the IPO Agency Agreement;
- the CPC Escrow Agreement; and
- the Merger Agreement.

Copies of these agreements are available for inspection at the registered office of Victory, at 120 Adelaide Street West, Suite 2500 Toronto, Ontario M5H 1T1 Canada, during ordinary business hours until the Completion of the Qualifying Transaction and for a period of 30 days thereafter.

PART II – INFORMATION CONCERNING ACAPULCO

Corporate Structure

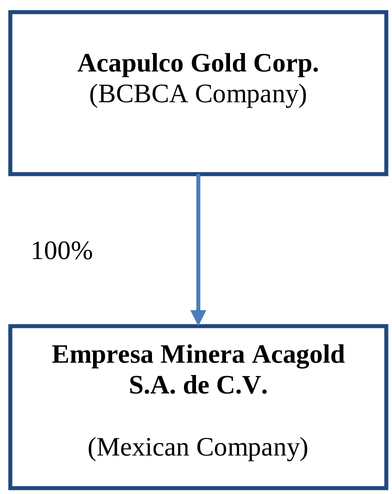
Acapulco is a private company and was incorporated pursuant to the provisions of the BCBCA on February 1, 2011. The full corporate name of Acapulco is "Acapulco Gold Corp.". Acapulco's business operations are in Mexico. Acapulco's registered and head office is located at 103-145 15th Street West, North Vancouver, British Columbia, V7M 1R9.

Acapulco has one operating subsidiary, Empresa Minera Acagold S.A. de C.V., which holds the rights to the Acapulco Property. Acapulco Subsidiary was incorporated under the laws of Mexico and has its registered office at City of Chihuahua, State of Chihuahua, Mexico.

Neither Acapulco nor Acapulco Subsidiary are a "reporting issuer" under applicable securities legislation and their securities are not listed for trading on any stock exchange.

Intercorporate Relationships

The following is the corporate organizational chart of Acapulco:



General Development of the Business

The prospects of the Acapulco Property for polymetallic volcanogenic massive sulfide deposits ("**VMS**") was first recognized by the late geologist David M. Jones over a number of years in the early 2000's. This led to the filing of concession applications on the project areas through his Mexican subsidiary, Minera Zalamera. The potential for high-grade gold mineralization at the El Rescate project (state of Puebla) was recognized through his decades of work in that part of Mexico, which started with his discovery of the Los Filos gold deposit (Guerrero) on behalf of Teck Corporation in 1995.

In 2011, the Zaachila and Riqueza Marina concessions were optioned to Acapulco, and limited funds were raised through equity (share) sales to support initial exploration efforts in 2011-2012. This work identified multiple target areas with anomalous geochemistry in favorable geologic settings, including the first find of gossan (oxidized sulfide) material inferred to be derived from massive sulfide mineralization. In April 2017, Acapulco, Minera Zalamera, and OZ Exploration PTY Ltd. ("**OZ**") entered into a tripartitie option agreement (the "**Tripartitie Option Agreement**"). From 2017 to 2019, the joint venture between the parties conducted extensive exploration work consisting of geologic mapping, geochemical sampling, and geophysics. The Tripartitie Option Agreement was formally terminated in late 2019.

The cumulative exploration history of the Acapulco Property is summarized in the following table:

Riqueza Marina and Zaachila Exploration History						
Years			2000-2003	2006-2008	2012-2013	2017-2019
Riqueza Marina	Geology	Observations	1	5	109	2053
	Geochemistry	StreamSeds	0	0	46	0
		Rock	6	0	200	668
		Soil (NitonXRF)	0	0	0	740
	Geophysics	Gravity	-	-	-	754 stations
		GroundMag	-	-	-	63 line-km’s
Zaachila	Geology	Observations	29	9	16	1756
	Geochemistry	StreamSeds	0	10	31	0
		Rock	0	26	124	179
		Soil (NitonXRF)	0	0	0	26
	Geophysics	Gravity	-	-	-	370 stations
		GroundMag	-	-	-	33 line-km’s

At Riqueza Marina, exploration work generated five high-potential target areas of well-mineralized VMS-style gossans within a multiple kilometer trend; each of these areas are modestly to strongly mineralized with a polymetallic suite of Cu-Au-Ag-Pb-Zn. Such multiple gossan centers are characteristic of highly prospective VMS belts where clusters of deposits are the norm rather than the exception. A ground gravity survey over selected areas yielded a blind anomaly approximately equivalent in size and magnitude as that seen above the San Nicholas VMS deposit (Zacatecas). Exploration drill targets have been selected and environmental permitting for a minimum first-round core drill program of 3000 meters minimum is underway. Further field work, target definition, and optional ground geophysics are planned for the most recently found high-potential areas that have seen little work to date.

At Zaachila, exploration work identified a minimum 5-kilometer trend of surface copper mineralization in a highly prospective geologic terrane flanking a large granitic (trondhjemite) intrusion. The center of this mineralized belt correlates with a positive gravity anomaly and a negative magnetic anomaly, both considered highly positive indicators for VMS potential. Exploration drill targets have been selected and environmental permitting for a first-round core drill program of 1800 meters minimum is pending. Further field work and target definition are planned for additional high-potential areas that have seen little work to date.

Asset Purchase Agreement

On March 16, 2022, Acapulco and Acapulco Subsidiary entered into the Asset Purchase Agreement with Paradex Inc. and Minera Zalamera to acquire a 100% interest in the Acapulco Property. Pursuant to the terms of the Asset Purchase Agreement, as satisfaction of the purchase price of the Acapulco Property, Acapulco will:

(a) issue 25,000,000 Acapulco Common Shares to Paradex Inc., parent company of Minera Zalamera and various parties, upon the completion of the purchase of the Acapulco Property;

(b) pay CAD$200,000 to Minera Zalamera, or such party as Mineral Zalamera directs, within 10 days of the listing date of the Resulting Issuer (the "**Listing Date**"); and

(c) pay CAD$32,000 to Minera Zalamera, or such party as Mineral Zalamera directs, representing expenses incurred in relation to the Acapulco Property.

In addition, upon the completion of the Environmental Impact Manifest/Statement Study and the receipt of the necessary drill permits by the Resulting Issuer that allow the Resulting Issuer to access projects and to commence drilling at either the Riqueza Marina Project or the Zaachilla Project, the Resulting Issuer will make the following cash payments to Minera Zalamera, or such other party as Minera Zalamera may direct:

(a) 14 months from the Listing Date, CAD$100,000;

(b) 26 months from the Listing Date, CAD$100,000; and

(c) 38 months from the Listing Date, CAD$100,000.

(collectively, the "**Drill Access Payments**")

The foregoing Drill Access Payments shall only be made in accordance with the above timeline and no earlier; if the completion of the Environmental Impact Manifest/Statement Study and receipt of the necessary drill permits occur prior to the date that is 14 months from the Listing Date, the first Drill Access Payment will be paid at the time that is 14 months from the Listing Date and not earlier. In addition, if the conditions to satisfy the conditions of the Drill Access Payments are not satisfied earlier or by the date stated in the timeline above, the applicable Drill Access Payment shall only become payable upon the satisfaction of such conditions. Minera Zalamera's rights to receive the Drill Access Payments does not terminate if there are delays in the completion of the Environmental Impact Manifest/Statement Study and obtaining the necessary drill permits relative to the timeline stated above.

The Resulting Issuer shall make additional cash payments to Minera Zalamera, or such other party as Minera Zalamera may direct, in the accordance with the following:

(a) CAD$50,000, within 30 days once the first set of Core Samples or Reverse Core Drilling Samples are obtained from the Riqueza Marina Project.

(b) CAD$50,000, within 30 days once the first set of Core Samples or Reverse Core Drilling Samples are obtained from the Zaachilla Project.

(c) CAD$50,000, within 30 days once the first set of Core Samples or Reverse Core Drilling Samples are obtained from the El Rescate Project.

In addition, Paradex Inc. and Scharfe Holdings shall each receive a 1.5% net smelter royalty. For further details, see section "*Net Smelter Royalty*".

The acquisition of the Acapulco Property is a Non-Arm's Length Transaction. Paradex Inc., a company wholly-owned by the estate of Mr. Jones (Mr. Jones was a director of Acapulco), is the parent company of the vendor of the Acapulco Property, Minera Zalamera.

Regulations

Acapulco Subsidiary will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable and related to the exploration, exploitation and extraction of minerals in Mexico. Mexico's mining activities are governed by (i) article 27 of the Mexican Constitution; (ii) its Mining Law; and (iii) the Mining Law's Regulations (the "Mexican Mining Regulations"). There are certain guidelines and official standards that also regulate mining activities in Mexico such as the Mexican Official Standards (NOMs), among others.

The Mexican Mining Law derives from article 27 of the Mexican Constitution, which allows persons or companies to do exploration and exploitation works in relation to the mining sector; when an individual presents an application/request to the competent authority (in this case the General Directorate of Mines) to acquire the rights of a determined mining concession, if approved, the mining concession (and the rights this contains) will have a validity of 50 years from the date on which the title is filed in the Mining Public Registry which will allow the now "titleholder" to exercise exploration and exploitation activities where the mining concession is located.

The authority in charge of enforcing the Mexican Mining Regulations is the General Directorate of Mines, a branch/unit of the Ministry of Economy. In addition, the Mexican Geological Service is in charge of generating and providing the geological-mining information infrastructure of the Mexican territory in order to promote investment in the mining sector, and that constitutes the basis for projects related to Earth Sciences. To facilitate the mining activities, the General Directorate of Mines has established regional offices to which the interested parties may attend mining matters with the corresponding authorities.

The Mining practices and regulation are of federal nature; therefore, local or municipal authorities have no influence in those activities. In order for a Mexican company or person to carry out mining activities in Mexico, a mining concession title must be obtained from the Ministry of Economy through the General Directorate of Mines and have such title duly recorded with the Public Mining Registry. By having such title, the concessionaire is entitled to carry out exploration and exploitation activities within the subsoil of the area covered by the concession, which is the property of the nation; it is important to point out that access to the surface land on which the mining concession is located does not depend on the authorities or the Mexican Mining Regulations; therefore, in order to access this land, it is necessary to carry out different procedures other than those provided for in the Mexican Mining Regulations. Owing to an amendment to the Mining Law, currently, all mining concessions (including the concession comprising the Acapulco Property) provide not only for the exploration but also the exploitation of minerals. Likewise, the term of any mining concession is 50 (renewable) years.

Lending

Acapulco is not subject to any bankruptcy, or any receivership or similar proceedings against it or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by it or any of its subsidiaries within the three most recently completed financial years or the current financial year.

Acapulco or any of its subsidiaries has not undergone any material reorganization within the last three completed financial years, or the current financial year.

Selected Consolidated Financial Information

The following table sets forth selected historical financial information for Acapulco for the period ended September 30, 2021 and the years ended December 31, 2020 and 2019 which are attached to this Filing Statement as Schedule "C"; Such information is derived from Acapulco's financial statements and should be read in conjunction with those financial statements attached hereto as Schedule "C".

Selected Financial Information			
	September 30, 2021 Unaudited	**December 31, 2020 Audited**	**December 31, 2019 Audited**
Cash and Cash Equivalents	$38,147	$15,171	$85,842
Total Assets	$585,546	$16,480	$86,617
Total Liabilities	$835,847	$193,495	$129,586
Shareholder Equity/(deficiency)	$(250,301)	$(177,015)	$(129,586)
Total Income	$Nil	$7,327	$13,605
Total Expenses	$73,286	$141,373	$56,676
Loss and comprehensive loss	$73,286	$134,046	$43,071
Property Expenditures	$25,614	$134,785	$324,407

Management's Discussion And Analysis

MD&A for Acapulco for the year ended December 31, 2020 and 2019 and the interim period ended September 30, 2021 and 2020 are attached hereto as Schedule "D".

Description Of The Securities

Acapulco Common Shares

Each Acapulco Common Share is entitled to one vote per Acapulco Common Share. Each Acapulco Common Share is entitled to receive an equal share of any dividends and distributions (whether payable in cash or otherwise) as may be declared on the Acapulco Common Shares from time to time. Each Acapulco Common Share is entitled, in the event of any liquidation, dissolution or winding-up of Acapulco (whether voluntary or involuntary), to receive in equal amounts per Acapulco Common Share, the assets of Acapulco available for liquidation.

As of date of this Filing Statement, there are currently 6,744,104 Acapulco Common Shares outstanding.

Acapulco Subscription Receipts

Each Acapulco Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Acapulco Common Share upon satisfaction of the Escrow Release Conditions at any time prior to the Escrow Deadline. For avoidance of doubt, each Acapulco Subscription Receipt shall result in the issuance of one Resulting Issuer Share following completion of the Merger.

As of date of this Filing Statement, there are currently 20,215,000 Acapulco Subscription Receipts outstanding.

Acapulco Finders Warrants

Each Acapulco QT Financing Finder's Warrant entitles the holder thereof to purchase one Acapulco Common Share at a price of $0.20 per Acapulco Common Share for a period of 24 months from the date of issuance.

Upon Completion of the Qualifying Transaction, there will be 1,617,200 Acapulco QT Financing Finder's Warrants outstanding.

There are no other securities of Acapulco outstanding.

Capitalization of Acapulco and Acapulco Subsidiary

The share capital of Acapulco is as follows:

Designation of Security	Amount Authorized	Amount Outstanding as at September 30, 2021	Amount Outstanding as at February 28, 2022 (prior to giving effect to the Completion of the Qualifying Transaction)
Acapulco Common Shares	Unlimited	6,744,104	6,744,104
Acapulco Subscription Receipts	20,215,000	20,215,000	20,215,000
Acapulco QT Financing Finder's Warrants	1,617,200	Nil(1)	Nil(1)

Notes:

(1) Upon Completion of the Qualifying Transaction, 1,617,200 Acapulco QT Financing Finder's Warrants will be issuable to certain finders in connection with Acapulco QT Financing.

Designation of Security	Amount Authorized	Amount Outstanding as at September 30, 2021	Amount Outstanding as at February 28, 2022 (prior to giving effect to the Completion of the Qualifying Transaction)
Acapulco Subsidiary Shares	50,000	50,000	50,000

Prior Sales of Securities of Acapulco

Since the date of incorporation of Acapulco, 6,744,104 Acapulco Common Shares and have been issued and are outstanding as of the date of this Filing Statement, and 20,215,000 Acapulco Subscription Receipts are issued and outstanding as of the date of this Filing Statement, as follows:

Date Issued	Number and Type of Security Issued	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
October 4, 2021	14,215,000 Acapulco Subscription Receipts	$0.20	$2,843,000	Cash

Date Issued	Number and Type of Security Issued	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
October 5, 2021	1,300,000 Acapulco Subscription Receipts	$0.20	$260,000	Cash
November 19, 2021	3,350,000 Acapulco Subscription Receipts	$0.20	$670,000	Cash
November 21, 2021	1,350,000 Acapulco Subscription Receipts	$0.20	$270,000	Cash

Stock Exchange Price

The Acapulco Common shares are not listed on any stock exchange.

Executive Compensation

Compensation Excluding Compensation securities

The following table sets out information concerning the compensation during calendar years December 31, 2020, 2019 and 2018 paid to Acapulco's Directors, Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and the three most highly compensated executive officers regardless of the amount of their compensation (the "**Acapulco Named Executive Officers**"). Acapulco has 5 individuals for whom disclosure is required, being:

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation
Michael Williams, Chief Executive Officer and Director	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
David Jones, *Director*[(1)]	2020 2019 2018	19,774 64,757 147,756	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	19,774 64,757 147,756
John E. Larson, *Director*	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Table of Compensation Excluding Compensation Securities							
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Victor Webb, *Director*	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Wayne Cahill, *Chief Financial Officer*[(2)]	2020 2019 2018	18,000 13,500 13,500	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	18,000 13,500 13,500

Notes:

(1) Denotes fees paid by Acapulco for consulting services provided by Mr. Jones through Paradex Inc. Mr. Jones provided consulting services to Acapulco and Acapulco Subsidiary on a US$900 per day rate.

(2) Denotes fees paid by Acapulco for consulting services provided by Mr. Cahill through Cahill CPA LLP.

Stock Options and Other Compensation Securities

Acapulco did not grant any compensation securities to the Acapulco Named Executive Officers during the calendar year ended December 31, 2020.

Exercise of Compensation Securities

No Acapulco Named Executive Officer exercised any compensation securities during the past calendar year.

Stock Option Plans and Other Incentive Plans

Acapulco does not currently have a stock option plan in place.

Employment, Consulting and Management Agreements

No management functions of Acapulco or its subsidiaries are to any substantial degree performed by a person other than the directors or senior officers of Acapulco or its subsidiaries.

Termination and Change of Control Benefits

Acapulco does not have any plans or arrangements in place with its officers that provides for payment following or in connection with any termination, resignation, retirement, or change of control of Acapulco.

Oversight and Description of Director and Named Executive Compensation

Compensation Philosophy and Objectives

The objectives of Acapulco's executive compensation policy are: (a) to attract and retain individuals of high calibre to serve as officers of Acapulco; (b) to motivate their performance in order to achieve Acapulco's strategic objectives; and (c) to align the interests of executive officers with the long-term interests of Acapulco shareholders.

Overview

The board of directors, on the recommendation of management, is responsible for setting the overall compensation strategy of Acapulco and evaluating and making determinations for the compensation of its directors and executive officers. The board of directors, on the recommendation of management, annually reviews and determines base salary.

Each executive officer receives a base salary. The salary of the executive officers of Acapulco is believed to be similar to salaries provided by comparable companies. No personal benefits are granted to the executive officers of Acapulco.

Acapulco does not offer any group benefit plans, including medical, dental, life, accidental death and dismemberment and long term disability coverage.

While Acapulco reimburses its executive officers for expenses incurred in the course of performing their duties as executive officers of Acapulco, Acapulco has not provided any compensation that would be considered a perquisite or personal benefit to its executive officers.

Non-Arm's Length Transactions

Other than the acquisition of the Acapulco Property pursuant to the Asset Purchase Agreement, as described in *Part II – Information Concerning Acapulco – Asset Purchase Agreement*, there has been no acquisition of assets or services or provision of assets or service in any transaction within the five years before the date of this Filing Statement, or in any proposed transaction, where Acapulco or any subsidiary of Acapulco has obtained such assets or services from:

(a) any director, officer or Promoter of Acapulco;

(b) a security holder disclosed in this Filing Statement as a principal security holder, either before or after giving effect to the Victory Qualifying Transaction; or

(c) an Associate or Affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

Legal Proceedings

There are no legal proceedings material to Acapulco to which Acapulco is a party to or of which any of its property is the subject matter, and there are no such proceedings known to Acapulco to be contemplated.

Material Contracts

Acapulco has not entered into any material contracts and does not intend to enter into any material contracts prior to Completion of the Qualifying Transaction, other than:

- the Merger Agreement; and
- the Asset Purchase Agreement**.**

Copies of these agreements may be inspected during regular business hours at the office of Acapulco, 103-145 15th Street West, North Vancouver, British Columbia, V7M 1R9, British Columbia, until the Completion of the Qualifying Transaction and for a period of 30 days thereafter.

PART III – INFORMATION CONCERNING THE PROPERTY

The Company commissioned and received an independent technical report on a property located in the The Riqueza Marina/Zaachila VMS Project Southern Sierra Madre, Oaxaca, Mexico, in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). The draft NI 43-101 technical report entitled, "The Riqueza Marina/Zaachila VMS Project Southern Sierra Madre, Oaxaca, Mexico Technical Report" (the "**Report**") dated December 17, 2020 was prepared by Robert J. Johansing, BSc Geology, MSc Economic Geology, QP MMSAv (the "**Author**") for Victory in connection with the Victory Qualifying Transaction. Mr. Johansing is a Qualified Person as such term is defined in NI 43-101. A copy of the Report will be held at the head office of the Company (address noted above), where it may be examined during normal business hours and will be filed on SEDAR under the Resulting Issuer's profile upon Completion of the Qualifying Transaction. The following information was derived from the Report and is only a summary of the Report.

Property Location

The Riqueza Marina/Zaachila project is located in southern Oaxaca in the Tehuantepec Isthmus geographic province where the Oaxaca Sierra meets the coastal plane of the Pacific Ocean. The project consists of two claim blocks, Riqueza Marina and Zaachila, which are separated by about 30 kilometers. The Riqueza Marina block consists of three concessions located in the Tehuantepec Municipality and immediately southwest of the City of Tehuantepec; the deep-water port city of Salina Cruz is about 10 kilometers to the southeast. The approximate geometric center of the concession block (WGS 84 UTM Zone 15N) is: 249,547.72E (-95º 20'37.277"E) and 1,802,182.51N (16º17'15.2556"N). The Zaachila concession, located in the Santiago Astata municipality is bounded on the south by the Pacific Ocean and is about 40 kilometers southwest of Salina Cruz. The approximate geometric center of the concession block (WGS 84 UTM Zone 15N) is: 229,948.21E (-95º31'23.400"E) and 1,769,001.16N (15º 59' 08.800"N). Both concession blocks are pierced by paved two-lane highways.

Map of the Juchitan-Salina Cruz area showing the location of the Riqueza Marina (3) and Zaachila (1) concessions.

Property Description and Ownership

The Riqueza Marina project is comprised of four (4) exploration concessions with a combined extension of 15,308 Hectares; a brief description of these concessions is provided in Table 1. The Government of Mexico grants concessions for a period of 65 years and charges annual fees for the maintenance of the concessions utilizing a schedule based upon the age and concession size; there is no mineral tax or royalty. Additionally, a brief summary of exploration activities and level of investment must be provided annually to the Ministry of Mines. Concession taxes or fees for 2020 were CDN$ 47,286.50. Aside from the above, the concessions are not subject to any back-in rights, payments, or other agreements and encumbrances.

The Author has requested and received a Title Opinion on the four concessions held by Minera Zalamera, S.A. de C.V. (MZ) from a Mexican attorney, Mauricio Heiras Garibay, with a Professional Registration #3733123 in the Republic of Mexico, and is qualified to provide the following opinion.

“Minera Zalamera, S.A. de C.V., is a mining company established according to the Mexican United States Laws, as stated in public deed 6,092 dated January 23, 2004, granted before Mr. Manuel Alberto O´Reilly Attolini, Notary Public Number 1 for Chihuahua, Chih., filed in the Public Registry of Commerce of this city under number 16 page 26 volume 2019, on February 6, 2004 and duly filed under number 102, page 51 volume XXXVIII at the Mining Public Registry, as well as in the tax department with number MZA040123458”.

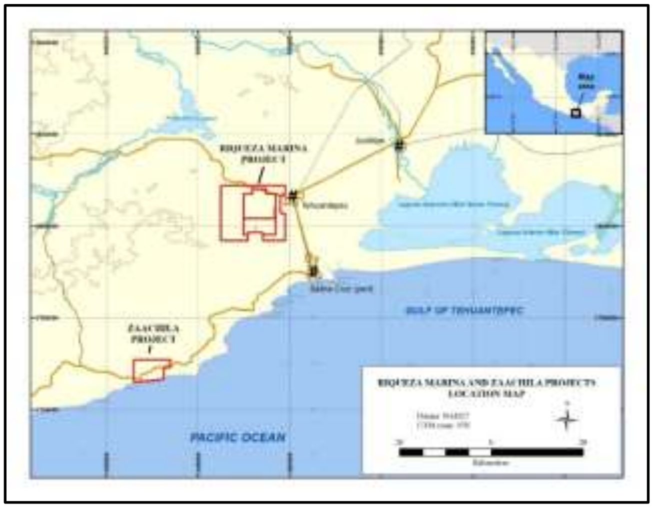
Additionally, the four (4) Mining Concessions held by Minera Zalamera are active as presented below in Table 1, i.e. Life of Concession.

Table 1. Summary of concessions contained in the Riqueza Marina - Zaachila project.

Concession Name	**Title Number**	**Extension (Hectares)**	**Life of Concession**	**Claimant**
Riqueza Marina 1	240044	4,056.00	April 13, 2012 to April 12, 2062	Minera Zalamera, S.A. de C.V.
Riqueza Marina 2	240045	2,383.97	April 13, 2012 to April 12, 2062	Minera Zalamera, S.A. de C.V.
Riqueza Marina 4	246590	5,601.38	Sept. 18, 2018 to Sept. 17, 2068	Minera Zalamera, S.A. de C.V.
Zaachila	235917	3264.00	April 13, 2010 to April 12, 2060	Minera Zalamera, S.A. de C.V.

Minera Zalamera S.A. de C.V. (MZ) is the legal and beneficial owner of one hundred percent (100%) right, title and interest in and to the mineral concessions comprising the projects known as the "Riqueza Marina Project” and the “Zaachila Project” or, collectively, the RQMZ project. This Mexican company was formed by Mr. David Jones to hold concessions in Mexico as required by the Mexican mining law and is incorporated under the laws of Mexico as confirmed above. The Issuer and its wholly owned Mexico subsidiary, Acapulco Subsidiary, are private corporations which has entered into the Asset Purchase Agreement to acquire an 100% interest in the Acapulco Property located in the state of Puebla. The Oaxaca projects incorporate highly prospective areas of high-grade copper mineralized surface exposures (‘gossans’) and prominent gravity anomalies along an emerging copper-gold VMS belt that includes Minaurum Gold’s Santa Marta project.

The prospects of the Acapulco Property for polymetallic volcanogenic massive sulfide deposits (“**VMS**”) was first recognized by geologist David M. Jones over a number of years in the early 2000’s. This led to the filing of concession applications on the project areas through his Mexican subsidiary.



Location of the Riqueza Marina concessions.

Permits

Work conducted to date in the RQMZ project area, including mapping, sampling and geophysics, are activities granted in the rights provided by the exploration concession and environmental permits have not been required. Due to the absence of public lands, surface permissions are critical and engagement with landowners and hosting communities is necessary. Surface access rights for all exploration activities are normally gained by direct negotiations with the landowners and corresponding communities.

The Riqueza Marina concessions are located in the municipality of Santo Domingo Tehuantepec where community leaders have been consistently supportive of exploration work. The communities via public hearings have approved the currently designed drilling program and the required access (D. Jones, per. Com, 2021).

Based on geologic, geochemical, and geophysical results to date, a total of 106 drill sites have been located in the Riqueza Marina concessions; only a small number of which will be tested during a first round of drilling. Drilling permits require than an Environmental Impact Assessment ('MIA') be submitted for review and approval by the Mexican environmental agency SEMARNAT. The MIA study and report for the first round of drilling at the Riqueza Marina area are nearly complete and are planned to be submitted in mid- to late-2022.

The Zaachila parcel of the RQM project is located in the municipality of Santiago Astata where community leaders have consistently been supportive of exploration work. The project lies in the Zaachila 'agency' of the municipality, which has been the principle source for workers during exploration activities.

Based on geologic, geochemical, and geophysical results to date, a total of 46 prospective drill sites have been located in the Zaachila concession; only a small number of these sites will be tested during a first round of drilling defined below. Community permission for drilling will need to be obtained, and an environmental impact statement ('MIA') will be prepared for this purpose once funding is in place.

All engagements with the Mexican government, from the most local (communities and ejidos) to the Federal level, require patience and perseverance. Community support is critical which has been obtained for the proposed exploration program. Unfortunately, any changes in the municipal, state and federal governments, may result in delays. Maintaining community support will assure that the Issuer will be able to proceed with exploration in a timely manner.

The Author is not aware of any specific environmental liabilities within the concession areas aside from normal agricultural practices dominating the local economy. In the absence of a local mining industry, there are no historical mining or processing sites within the four concessions. Agricultural practices employ an array of fertilizers, herbicides and insecticides and along with the ubiquitous livestock, surface waters are generally contaminated and their use during drilling should be minimized. The environmental permits issued by SEMARNAT will provide guidelines for all phases of drilling.

Access

The RQMZ project is located in southern Oaxaca in an area generally known as the Isthmus of Tehuantepec. Prior to the opening of the Panama Canal, the isthmus was the shortest route between the Gulf of Mexico and the Pacific Ocean. Consequently, the area immediately surrounding the RQMZ project has become a logistical center for southern Mexico including the states of Oaxaca, Veracruz and Chiapas.

For reasons provided above, access to and within the project is excellent. The city of Oaxaca, the cultural center of Oaxaca, is about 5 hours north of the project area and hosts an international airport with daily flights from the U.S. and Mexico City. The city of Huatulco, about one hour west of the project area, hosts daily flights from Oaxaca and Mexico City.

Both concession blocks (RQMZ Project) are serviced by two-lane highways and can be reached in less than a ½ hour from Tehuantepec where there are a broad selection of accommodations and services. The Istmo region has two districts, Juchitán District and Tehuantepec District, and 41 municipalities.

Climate

Salina Cruz, the nearby coastal port, experiences a tropical savanna climate. Monsoonal moisture dominates the region from May to October while November to March the precipitation is much less (Table 2). Maximum precipitation generally occurs in August (330mm) while minimums are seen in February (1.6mm). Daily mean temperatures are remarkably consistent and range from 26.3 to 29.6oC; average high/low temperatures are 35.2oC (May) and 21.5oC (January), respectively.

The narrowness of the isthmus, and the gap in the Sierra Madre, allow the trade winds from the Gulf of Mexico to blow through to the Pacific. Normally, these winds are not particularly strong, but periodically, a surge of denser air originating from the North American continent will send strong winds through the Chivela Pass and out over the Gulf of Tehuantepec on the Pacific coast. This wind is known as the Tehuano and the region has one of the best wind resources in Mexico and several wind farms have been developed (Wikipedia, 2020).

Table 2. Climate data for Salina Cruz (1981–2000).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C	38.8	38.8	39.4	40.3	41.3	40	38.1	38	37.9	37	36.2	36.2	**41.3**
Average high °C	31.1	31.8	32.6	34.1	35.2	34	34.5	34.2	33.6	33.1	32.5	31.5	**33.2**
Daily mean °C	26.3	26.8	27.5	28.9	29.9	29	29.6	29.6	29	28.5	28	27	**28.3**
Average low °C	21.5	21.7	22.4	23.7	24.6	23.9	24.6	25	24.4	24	23.6	22.4	**23.5**
Record low °C	15.6	16.2	16	12.6	18.4	17.8	19.6	19.8	19.2	17.9	17	16.6	**12.6**
Average precipitation mm	4.1	1.6	6.6	3.4	62	286	147.1	330.7	193.8	71.6	10.7	4.8	**1,122.30**
Average precipitation days (≥ 0.1 mm)	0.4	0.4	0.7	0.4	2.9	9.7	7.9	8.6	9.3	3.9	0.9	0.5	**45.6**
Average relative humidity (%)	57	59	61	61	64	67	65	66	66	63	59	58	**62**
Mean monthly sunshine hours	248	254.3	282.1	228	217	162	195.3	213.9	156	226.3	249	238.7	**2,670.60**
Mean daily sunshine hours	8	9	9.1	7.6	7	5.4	6.3	6.9	5.2	7.3	8.3	7.7	**7.3**

Source 1: Servicio Meteorológico Nacional
Source 2: Deutscher Wetterdienst (sun, 1941–1970)

Physiography

The Isthmus of Tehuantepec, in southern Mexico, is positioned between the Gulf of Campeche on the Gulf of Mexico to the north, and the Gulf of Tehuantepec on the Pacific Ocean to the south. From gulf to gulf, the isthmus is 137 miles (220 km) wide at its narrowest part; and it is 120 miles (193 km) from the Gulf of Campeche to the head of Superior Lagoon, an inlet on the Gulf of Tehuantepec. The isthmus is a broad, coastal plain which narrows westerly where the steep slope of the Sierra Oaxaca meets the Pacific Ocean. The RQMZ project area is situated in low-lying hills located at the interface between the coastal plain and the steep slopes of the Sierra. Elevations within the project areas range from Sea Level up 360 meters. Owing to the tropical savanna climate, the project area is heavily vegetated by low profile secondary growth forest and brush in the low-lying hills and widely cultivated on the coastal plain, The author is not aware of any protected forest or designated ‘green zones’ within the project area.

Local Resources and Infrastructure

The RQMZ project is surrounded by first world infrastructure and has available a broad array of resources. Two major population and economic centers, Tehuantepec and Salina Cruz, are located within 15 to 45 minutes, respectively, of the project area. Tehuantepec is both a city and municipality in the southeast of the Mexican state of Oaxaca. The area was important in pre-Hispanic period as part of a trade route that connected Central America with what is now the center of Mexico. Later it became a secondary capital of the Zapotec culture before it was conquered by the Spanish in the early 16th century. The city is still the center of Zapotec culture and is the second largest in the region. The 2005 census reveals a population in the municipality of 57,163 and 39,529 in the City of Tehuantepec.

As the municipal seat, Tehuantepec oversees about 120 communities which collectively cover an area of 965.8 km2. Twenty one percent of the working population is in agriculture and livestock. Principle crops include beans, corn, sorghum, sesame seed, melons, cucumbers, squash, peanuts and flowers. Livestock includes cattle, pigs and goats.

Twenty five percent of the population works in industry, mining and construction. Industry is limited to a water purification facility, an ice plant and a calcium oxide plant for agricultural purposes. Fifty one percent work in commerce, tourism and services. Most of the commerce serves local needs with some serving regional customers and tourists. There are two four-star hotels, one two-star hotel and nine guesthouses. The municipality also has water parks and beaches.

The municipality has twenty-six pre-schools, thirty-eight formal primary schools (ten of which are bilingual), five middle schools, eight distance education middle schools, seven high schools and a nursing school. The Universidad del Istmo opened in 2002 with a campus in Tehuantepec and Ixtepec.

Salina Cruz is a major deep-water seaport on the Pacific coast of Oaxaca. It is the state's third-largest city and is the municipal seat of the municipality of the same name. It is part of the Tehuantepec District in the west of the Istmo Region. The city had a 2005 census population of 71,314, while its municipality, with an area of 113.55 km2 (43.84 mi2) had a population of 76,219, the state's fourth most populous municipality. The port was developed in the late 19th century due to its location at the southern terminus of the Trans-Isthmus Railroad, which carried freight across the Isthmus of Tehuantepec.

Salina Cruz, was founded by the Spanish in 1522, and is situated near the mouth of the Río Tehuantepec, on the open coast of the Isthmus of Tehuantepec in the Gulf of Tehuantepec, and has no natural harbor. There was only a small Native village before Salina Cruz was chosen as the Pacific terminus of the Tehuantepec National Railway, whereupon a modern town was laid out and built on adjacent higher ground and an artificial harbor was built by the Mexican government to accommodate the expected traffic. The new port was opened to traffic in 1907 and in 1909 its population was largely composed of laborers. The harbor was formed by the construction of two breakwaters, the western 3,260 ft (990 m) and the eastern 1,900 ft (580 m) long, which curve toward each other at their outer extremities and leave an entrance 635 ft (194 m) wide.

The main industry is the Pemex oil refinery in the port of Salina Cruz along with the movement of goods to and from the port. Along with Tehuantepec, Salina Cruz has extensive livestock production operations and crops include sesame, coffee, rice, sorghum, pineapple, banana, coconut, melon, and sugarcane. Fishing cooperatives harvest shrimp and other seafood from the Pacific.

The government has plans to develop the trans-Isthmus of Tehuantepec corridor, including improving transportation routes, developing an industrial zone along the highway, and expanding the petroleum and petrochemical industries in Salina Cruz. Other plans include creating coffee plantations and cattle corridors; expanding production of beans, corn, and chili; and exploiting the bio-genetic resources of native medicinal plants.

Table 3. Summary of exploration activities at Riqueza Marina from 2000 to Present.

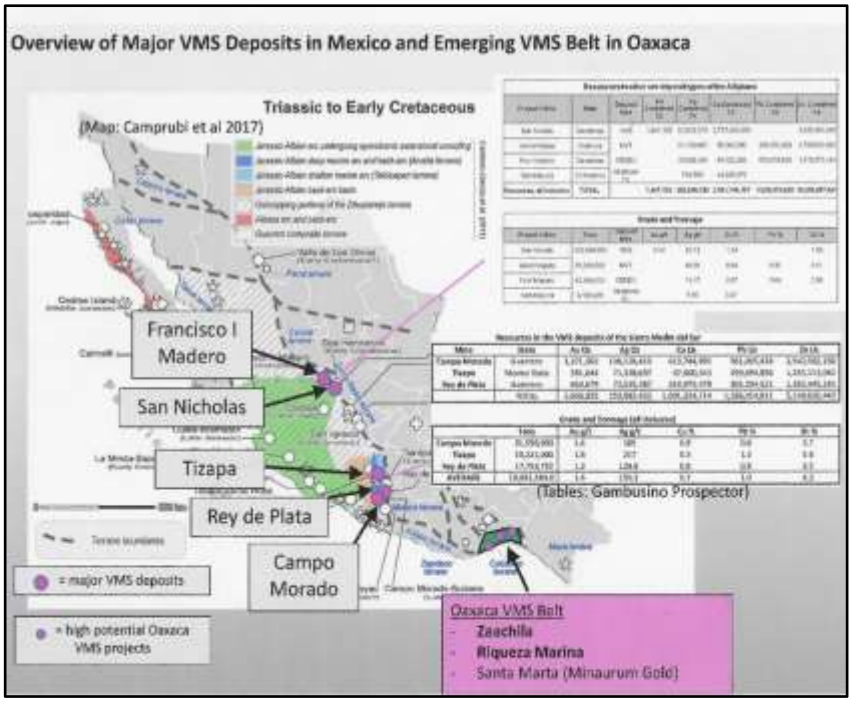
Riqueza Marina and Zaachila Exploration History						
Years			**2000-2003**	**2006-2008**	**2012-2013**	**2017-2019**
Riqueza Marina	**Geology**	**Observations**	**1**	**5**	**109**	**2053**
	Geochemistry	**Stream Seds**	**0**	**0**	**46**	**0**
		Rock	**6**	**0**	**200**	**668**
		Soil (NitonXRF)	**0**	**0**	**0**	**740**
	Geophysics	**Gravity**	**-**	**-**	**-**	**754 stations**
		GroundMag	**-**	**-**	**-**	**63 line-km's**
Zaachila	**Geology**	**Observations**	**29**	**9**	**16**	**1756**
	Geochemistry	**Stream Seds**	**0**	**10**	**31**	**0**
		Rock	**0**	**26**	**124**	**179**
		Soil (NitonXRF)	**0**	**0**	**0**	**26**
	Geophysics	**Gravity**	**-**	**-**	**-**	**370 stations**
		Ground Mag	**-**	**-**	**-**	**33 line-km's**

Regional Setting

The central western Cretaceous cordilleran region of Mexico is highly prospective for massive sulfide deposits. Similar geologic settings with probable VMS deposits in Cretaceous rocks have been identified in Mexico at two major districts: Campo Morado (Guerrero) and San Nicolas (Zacatecas). These deposits formed during the initial stages of subduction of the Pacific Plate under ancestral (Paleozoic and Precambrian) North and South America. In general, the early Jurassic-Cretaceous Cu – Zn deposits formed in relatively primitive, basalt-dominated bimodal back arcs, and produced very large (typically 80-120mt) deposits.

The Jurassic-Cretaceous back arc system along the southern coast of the state of Oaxaca extends discontinuously for at least 200km in an east-west direction and is composed of weakly metamorphosed Upper Jurassic to Lower Cretaceous volcanic and sedimentary rocks. Though traditionally considered the same age and genesis as the Guerrero terrain (i.e. host to San Nicholas, Tizapan, etc.), it is equally plausible that these accreted complexes formed from spreading along an early/proto-Galapagos rift (D. Jones, 2020, per. com.).

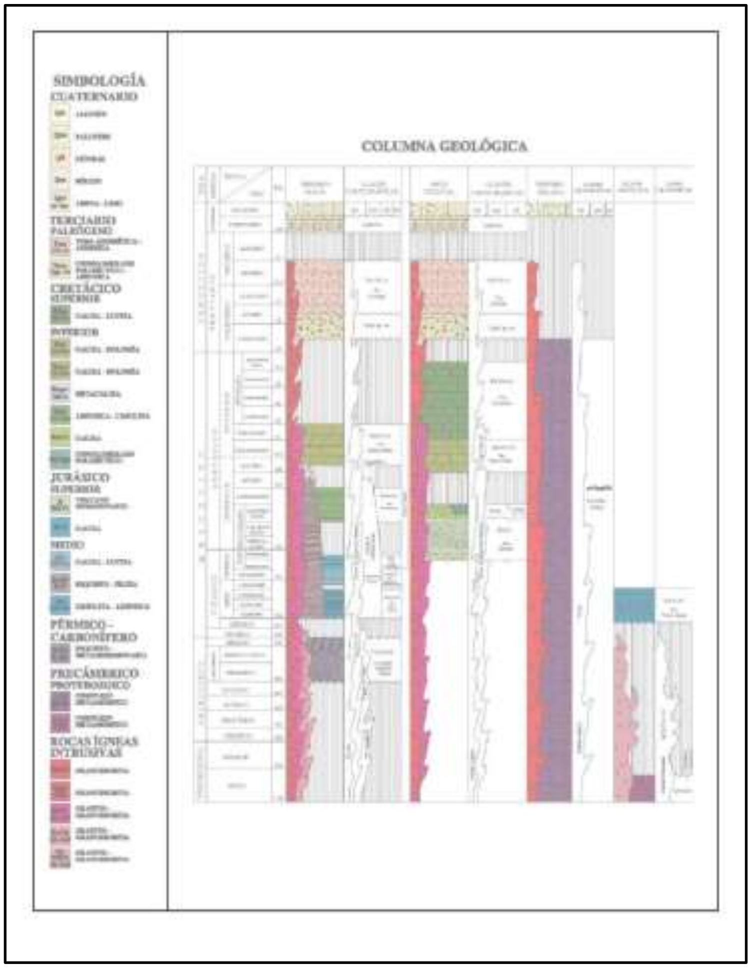
Franklin (2013) states, "This assemblage should be considered as a "belt" in the same context as the Abitibi, Flin Flon–Snow Lake or Uchi belts in the Canadian Shield. Each of these contains several "camps" or districts. The typical spacing of VMS camps is 40-60 km, and within each, a set of deposits form a log-normally distributed set. Each set typically includes 1 or 2 giant (>30mt) deposits, 2-3 mid-sized (10-20mt) deposits, and 4-5 small (2-5mt) deposits. Not all parts of a "belt" may have VMS characteristics, and only through mapping and sampling can mineral potential be established. Our review of the Riqueza Marina and Zaachila parts of this emerging belt revealed several areas with distinct attributes, including disseminated sulfides and alteration, that indicate that at least one more "camp" may occur to the west of the Santa Marta district". This speculation by Dr. Franklin has since been confirmed with the discoveries of copper-gold mineralization at both Riqueza Marina and Zaachila.



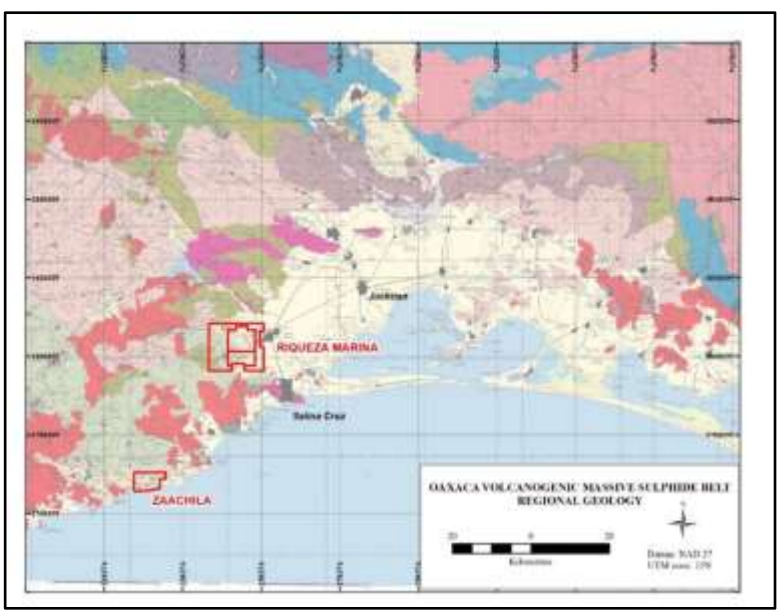
Overview of major VMS deposits in Mexico and general geologic setting.
The Riqueza Marina – Santa Marta belt is located at the eastern limit of the belt.

The prospective area, the Oaxaca VMS Belt, occurs near the southern extension of the Esquisto – Filita Formation (purple unit) and is thought to be mid-Jurassic to early Cretaceous in age and is overlain by, or in thrust contact with, Cretaceous red beds, conglomerate and limestone.

The host rocks of the Santa Marta district, the most prominent VMS deposit discovered to date in the Oaxaca VMS Belt, are comprised of distinctly pillowed basalt and likely belong to the "bimodal mafic"- type (Franklin et al., 2005). Volcanic rocks are present regionally, particularly in the western part of the area and within the RQMZ project area but are not significant at Santa Marta. The apparent lack of volcaniclastic strata and dominance of flows at RQMZ may be indicative of a "deep water", non-boiling VMS system. However, given the presence of both felsic domes and volcaniclastic material in the western part of the area, this suggestion may be premature (Franklin, 2018).



Stratigraphic section of the rocks hosting the VMS occurrences in the Riqueza Marina - Zaachila project, Oaxaca, Mexico.



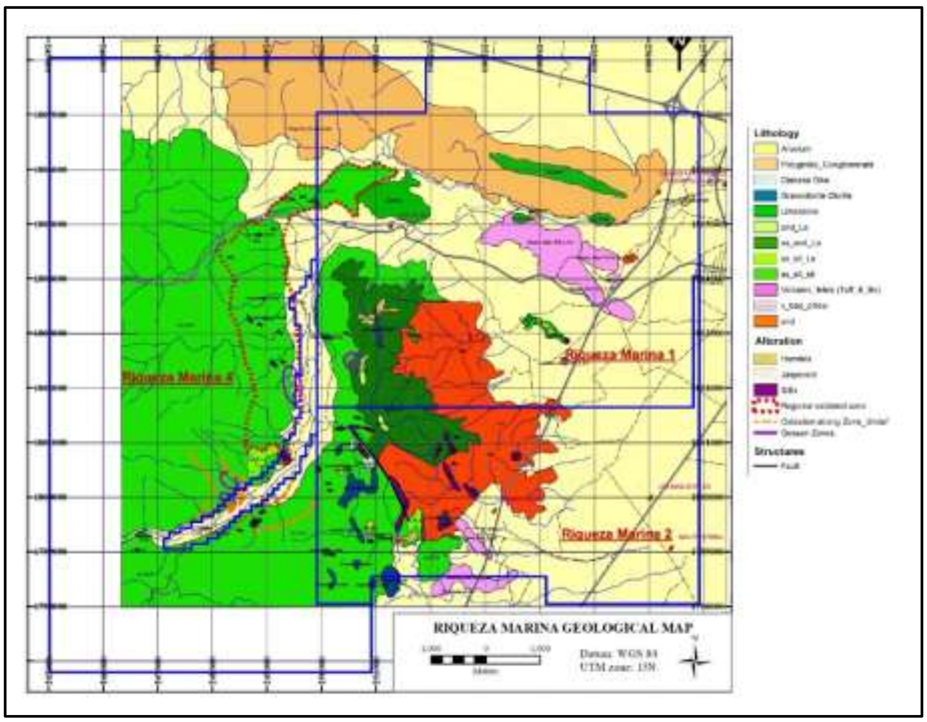
Distribution of prospective metavolcanics and metasediments in Southern Oaxaca and the location of the Riqueza Marina – Zaachila project.

Project Geology

As described above in Section 4.0, the RQMZ project is divided into two non-contiguous blocks: Riqueza Marina and Zaachila. The geology between the two areas is not discussed but additional recon activities in this extensive area are proposed below. The combination of dense vegetation in the surrounding hills, intense cultivation of the low-lands and the lack of public lands makes prospecting difficult. Future successes within the project areas would likely prompt a closer inspection of this area.

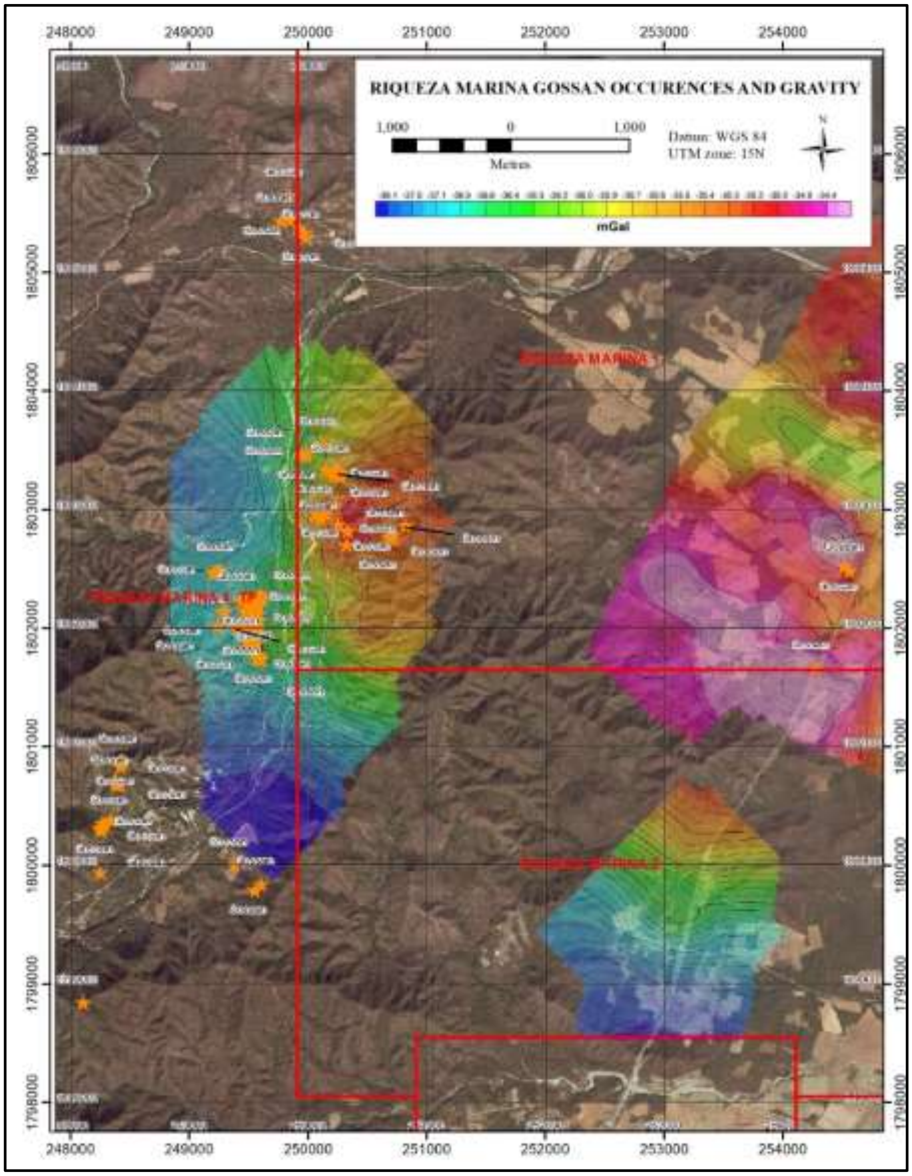
Riqueza Marina Area

At the scale presented, only the most general features can be identified including: 1. Upper Cretaceous conglomerate and limestone (beige); meta-sediments (green); meta-volcanics (orange); felsic tuff and breccia (violet); exhalite (purple) and diorite (blue). Since the time this map was completed, additional work has provided details that may not be shown and remain poorly defined. Within this weakly metamorphosed Upper Jurassic-Early Cretaceous package, several features pertinent to the VMS model and, more specifically, to the exploration of the project have been provided to the Author by Acapulco Gold.



Geologic map of the Riqueza Marina concessions.

Exploration to date within the Riqueza Marina concessions has identified five high-potential prospects on the basis of geology, geochemistry and geophysics. Extensive sub-crops and/or outcrops of Cu-Au-Pb-Zn- mineralized gossan occur along a 3km strike-length at Laminas West and Laminas East and may connect beneath the intervening valley. Further south, a broad area of poorly defined 'gossan' or oxidized sulfides, has been roughly defined as the 'Southern Area'. North of the Laminas gossans, the recently discovered 'Northern Area' has been partially mapped and, as well, remains poorly defined. Several kilometers to the east of Las Laminas, the 'Rhyolite Dome' area is associated with a very strong gravity high and similar in size and amplitude to that over the VMS deposit at San Nicolas, Zacatecas; the target is concealed by the thin veneer of alluvial gravels. A brief description of these prospects is provided below.



Satellite image of the Riqueza Marina project showing gossan locations (orange stars) over the gravity survey.

Schematic Section	Lithology	Alteration & Mineralization	Figure
	Silica 'exhalites' w/ iron oxides	Hematite +/- magnetite, MnOx, tr sulfides	
	Sed. Breccia flanking felsic complex	Local sulfide matrix ?	
	Felsic pyro-tuffs and autobrecciated domes	Laminated breccia matrix & stringer-like oxidized sulfides	10
	Carbonaceous conglomerates with 'exhalite' lenses at base	Fully reduced; sulfides along discrete horizons, increasing towards base of sequence	11
	Zone of rhythmically laminated & pod-like sulfides w/ silica lenes	Multiple sulfide horizons/stringers at break between sericitized volcanics & conglomerates	13 & 14
	Green (sericitic) volcanics with sulfides & chlorite stringer alteration	Disseminated & stringer sulfide in sericitized-chloritized green volcanics (similar to Sta. Marta host rocks)	12

Diagrammatic section of the Riqueza Marina area showing lithologies and corresponding alteration and mineralization. Figure numbers are provided for lithology-specific photos.

The geologic model, although preliminary, is based upon a stratigraphic sequence with corresponding alteration and mineralization. Within the Riqueza Marina 1 & 2 concessions, the stratigraphy appears to consist of felsic volcanic/pyroclastic rocks that overlie reduced sediments, that, in turn, overlie reduced mafic volcanic rocks. Within this general sequence, several observations have been made (D. Jones, per. com.):

- Silica horizons ('exhalites') show a spatial association with all three rock types but are more concentrated around the margins and base of the felsic pyroclastics and at the break between reduced sediments and underlying volcanics. These silica horizons are typically associated with oxides representing former sulfides;
- the distribution of silica horizons is inferred to crudely define the limits of a basin (volcanic depression?) that may be occupied by felsic volcanics; and
- the widespread presence of silicified sediments may indicate a reduced back-arc environment that is flanked by epiclastic sediments coming in from the north (J. Franklin, per. Com.).

Laminated and brecciated rhyolite cemented by iron oxides (after sulfides) which are likely associated with auto-brecciated rhyolite flows/domes; Highway Borrow pit (top of hill).

Highway roadcut at SW edge of Riqueza Marina claim block: Carbonaceous conglomeratic unit showing weakly to moderately foliated clasts suggestive of strain partitioning into the more ductile matrix. This unit overlies sericite altered volcanics and underlies felsic pyroclastics identical to those seen in the Borrow pit many kilometers to NE.

Relative to the above stratigraphic sequence, noteworthy alteration and mineralization features include:

- Silica 'exhalite' horizons appear to be an essential part of the volcanic stratigraphy linked to alteration/mineralization time-horizon events; these horizons appear to define a broad zone shaped like an inverted horseshoe (open to south);

- Silica horizons vary compositionally from magnetite-rich → hematite-rich → manganese-rich and are anomalous in a broad suite of metals, but most notably gold (e.g. similar to Zaachila);

- Banded/laminated sulfides and oxidized equivalents occur at distinctive horizons that typically represent stratigraphic breaks/transitions, most prominently on the top and margins of the felsic volcanics, and most strongly along broad (several meter thick) zones at the transition between reduced sediments and underlying sulfide-bearing reduced volcanics. The footwall volcanic rocks look remarkably similar to those at Santa Marta (D. Jones, per. Com.); and

- black chlorite and sericite alteration are locally very strong and intimately associated with the more sulfide-rich zones.

reas of 'felsic' (quartz-eye rhyolite) volcanics, both widespread float and local outcrops, are widely altered including variable silicification and quartz veining. These rocks are believed to be intimately related to the hydrothermal/mineralizing system (D. Jones, per. Com.) and the strong gravity anomaly found adjacent to the 'Rhyolite Dome' prospect supports this relation.

Highway roadcut at SW edge of Riqueza Marina claim block: Strongly sericite-chlorite altered 'green' volcanics (tuffs and/or pillow basalts?) footwall to the carbonaceous conglomerates. These rocks are virtually indistinguishable from those of the Santa Marta mine area.

Exploration has recently identified two extensive areas, Laminas West and Laminas East, where a strata-bound gossan is widely outcropping. The distribution of the gossans at both zones suggest that these horizons may exceed 3 kilometers in strike length; some outcrops are up to 90 meters in length. The gossans all consist of compact hematite-limonite-(goethite) without definitive box works, e.g. earthy and massive, but locally reveal a laminar structure or a cylindrical appearance suggestive of a sulfide vent or 'smoker' structures. Some sub-crops near the gossans are thin laminar sulfide horizons that are both inter-bedded with the sediments and cross-cutting them. At both the East and West localities, oxidized sulfides are observed to infill pillow basalt margins (hyaloclastites) and internal fractures. Though the area between Laminas West and East is covered by Quaternary alluvial/colluvial fill, it is likely that both 'gossans' are contained within the same mineralized horizon. Gravity data shows a subtle high which may be interpreted as the linking the two areas under this valley fill.

Deeply oxidized sub-crop or 'gossan' interpreted to be a remnant of a 'black smoker' or feeder through which mineralizing fluids ascended to the seafloor and later congealed into a cylinder composed of massive sulfides.

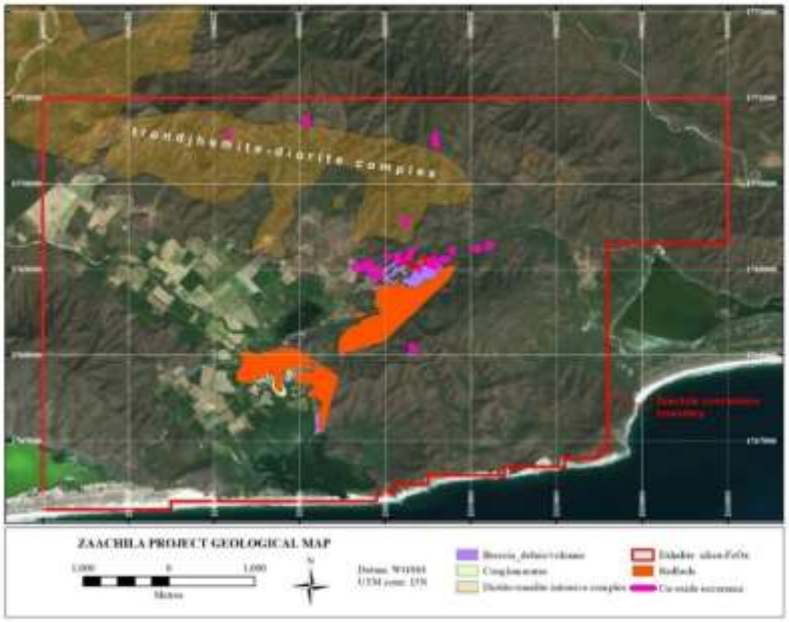
The gossans of the Laminas area reveal moderate to very strong mineralization and likely reflect an assemblage composed of copper > lead + zinc sulfides; relict chalcopyrite has been observed. Less-well mineralized gossans extend several kilometers to the south and are typically associated with strong manganese oxides which appear to overprint pre-existing sulfides and suggestive of a retrograding thermal collapse onto a prior sulfide-rich system. These gossans are relatively depleted in copper and likely represent a 'distal' pyrite-dominated sulfide sequence.

Copper-bearing gossan float and sub-crop from the West Laminas zone.

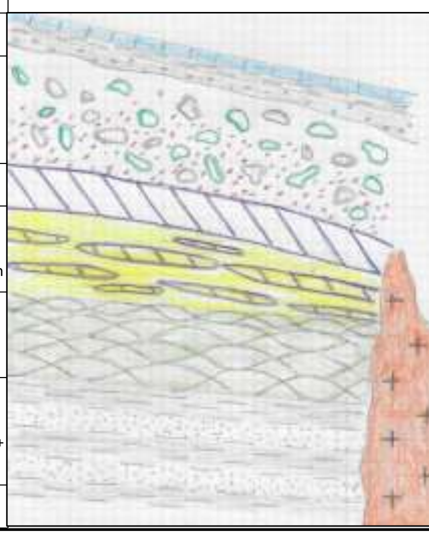
Zaachila Area

The geology of the Zaachila area is best exposed along several highway cuts where excellent exposures of the volcanic debris or breccia aprons and contained ‘exhalites’ are exposed. Several areas of copper and gold mineralization can also be observed in or near these exposures. The trondjhemitic intrusive complex can be easily reached and widespread exposures of mineralized and altered rock are well documented. Nonetheless, the great majority of the prospect area is covered by native vegetation and cultivated fields.

The Zaachila project area was first recognized as important based on the presence of discordant stratigraphic breaks with associated evidence of hydrothermal alteration. The prospect’s stratigraphic section, per studies conducted by Acapulco Gold/Dave Jones, which also provides observations on the unit’s thickness, timing of deformation and mineralization.



Generalized geologic map of the Zaachila project area; small magenta circles represent visible surface Cu mineralization.

Lithology	Estimated Thickness	Schematic Section	Timing of Deformation & Mineralization	Mineralization	Figure
Redbeds, Conglomerates &	>>200 m		Post-deformation Post-mineralization	None	
Matrix-supported breccia	>50-75 m		Pre-deformation (?) Syn-mineralization at base	Cu mz. associated w/ matrix Fe-carbonate at base of breccia	
Silica-exhalite	<1 - 3+ m		Pre-deformation Syn-mineralization	Highly ferruginous silica exhalite w/ persistent >1 g/t Au	17
Transitional zone: exhalites interbedded with volcanics	Thickness uncertain minimum 30 m		Pre-deformation Syn-to pre-mineralization	Cu as weathered sulfides in strongly sericitized & foliated volcanics in immediate FW of exhalite &/or breccia	18 & 20
Pillow-basalt/andesite sequence	Thickness uncertain minimum 30-50 m		Pre-deformation Pre-mineralization	Indeterminate 'gossans'	
Lower sedimentary/volcanic sequence	Thickness uncertain; minimum 100+ metres		Pre-deformation Pre-mineralization	Indeterminate 'veining' (stringer?)	
Diorite-tonalite-trondhjemite	4.3 x 1.5km intrusive		Pre-deformation Syn-mineralization	Minor intrusion-hosted Cu mineralization	19

Diagrammatic section of the Zaachila area showing lithologies and corresponding alteration and mineralization. Figure numbers are provided for lithology-specific photos.

The oldest rocks in the project area consist of a lower sedimentary/volcanic sequence (undivided) composed of well-laminated/bedded sediments and volcanic rocks but have received little attention. These units are quite dark in appearance and probably constitute the basal sedimentary portion of the pillow-basalt sequence. To date, these rocks have not been found to host copper mineralization.

Above the bedded sequence, the pillow-basalt/andesite unit (undivided) is a vaguely defined unit but distinguished primarily by its stratigraphic location at the uppermost portion of the footwall sequence. Local roadcut exposures reveal morphologies and hyaloclastite breccias suggestive of pillow basalts, concordant in bedding attitudes with both footwall and hanging wall rocks. Empirically, these rocks are best characterized by widespread sericitization, foliation (strain-partitioning), and silicification; importantly, they constitute the most persistent host to known visible Cu-occurrences over multiple kilometers of exposures (D. Jones; per. com.). In mineralized areas, this sequence is capped and/or interbedded with silica exhalites.

The silica exhalates cap and/or are interbedded with the pillow basalts in beds up to an estimated 2.5-3 meter thickness. The silica is fine-grained to cherty and is characteristically impregnated with hematitic iron-oxides and sparse fresh sulfides. Pull-apart slumping textures are locally evident on a fine scale, perhaps indicative of deposition from a colloidal mass. Crosscutting quartz veins and FeOx bands are locally abundant. Multiple silica horizons are evident in places, and the thickest zones (just south of the highway curve) taper to the north over several hundred meters into a singular, thin horizon (~1m or less). These siliceous 'beds' constitute the immediate footwall to the overlying breccia.

Massive ferruginous silica exhalite outcrop with laminated FeOx; nearby rocks contain persistently anomalous Au values.

The matrix-supported breccias are distinctive and well exposed in highway roadcuts for a few hundred meters below the 'curve' exhalite exposure. They are matrix-supported in nature and contain angular to sub-angular clasts of footwall rocks. The fine-grained matrix lacks foliation which is likely due to strain accommodation by the fine-grained matrix (D. Jones, per com); a more detailed examination of the rocks would most likely confirm or disprove this. The breccia matrix is distinctly hematite- and carbonate-rich towards its base and is the primary host for copper mineralization in the project area. The breccia unit is overlain by non-metamorphosed red beds and conglomerates with some degree of discordancy at the contact. The volcanic/debris flow breccia has been interpreted as a catastrophic high-energy event, possibly related to the collapse of a volcanic edifice (i.e. seafloor caldera). However, the intrusion complex shows a very pronounced WNW-ESE elongate trend, the southeast margin of the complex mirrors the distribution of these breccias and, perhaps not coincidentally, copper mineralization.

Volcanic/debris flow-breccia with altered footwall clasts and prominent Fe-carbonate matrix alteration; exposure in highway roadcut.

The diorite-tonalite-trondjhemite intrusive complex has been mapped along a ~5 km WNW-ESE trend in the central portion of the project with sectional widths up to 1.6 km. The border phase of this complex is a fine-grained gabbro/diorite that is locally strongly replaced by carbonate with crackle breccia/network veins. The gabbro/diorite is intruded in an irregular manner by granitic-looking rocks containing variably abundant quartz; the apparent complete absence of potassium feldspars (as confirmed by a subsequent whole rock analysis) indicates these rocks are tonalite-granodiorite. The felsic intrusions typically carry clasts (xenoliths) of mafic material suggesting both brecciation and/or magma mixing. The intrusive complex is locally and variably foliated and is inferred to be late in the sequence of metamorphic rocks.

Felsic 'plagiogranite' or 'trondhjemite' core of the Zaachila intrusive complex showing prominent cooling joint faces indicative of shallow emplacement and rapid cooling; note clasts of mafic border phase.

The youngest rocks in the project area, red beds (fine-grained clastics) and conglomerates (undivided), are undeformed sedimentary rocks and inferred to be Upper Cretaceous in age and represent post-deformation (post- or late-accretion) inundation by continental sediments. Dominated by sandstone, the conglomeratic units of this sequence are easily distinguished from underlying breccias in that they showed graded bedding and rounded cobbles. They are considered to be largely post-mineralization. Cretaceous platform sediments outside of project area and west of Zaachila are carbonates.

Metamorphism and Mineralization

Metamorphism in the project area is minimal and primary textures are largely preserved in all rocks; bedding and flow features are widely recognizable. The lowermost units, from sediments through basalt/andesite, along with the capping silica exhalite, show variable deformation and folding. All rocks to date are inferred to be 'section up' based on pillow bases and capping textures in the major exhalite. Penetrative deformation is not evident except in highly sericitized rocks. The volcanic/debris flow breccia includes angular clasts of lithified rock and, while not appearing to be penetratively deformed, is inferred to have taken up strain in its fine-grained matrix.

The youngest (mid-Cretaceous) red bed and conglomeratic units show no signs of deformation.

The gabbro/diorite-granodiorite-trondjhemite complex shows variable deformation while conserving original cooling textures. The presence of deformation suggests it is not part of widely exposed Tertiary batholithic complex but instead constituted part of the Cretaceous seafloor.

Mineralization

Copper mineralization was first found, somewhat coincidentally, based on the concept that volcanic rocks in the footwall of the silica exhalate lenses might be prospective for mineralization. Although this was established in 2012, it was not until the 2017 work program that this 'model' was determined to be the most plausible model for the Cu-Au mineralization. It has also been confirmed that the hematite- and carbonate-rich base of the volcanic breccia is indicative of mineral potential. Owing to the dense vegetation over most, if not all, of these gossans, sampling has been done on available sub-crops / outcrops and no systematic effort has been made to quantify the continuity of copper mineralization such as trenches. Consequently, the dimensions of any mineralization are not known at this time.

The majority of the copper mineralization identified to date occurs within two stratigraphic horizons: 1) immediately below the silica exhalite marker horizon within strongly sericitized and foliated volcanic rocks (basalts and 'andesites'); and 2) within the matrix of the basal breccia unit at the contact with underlying exhalite and/or altered footwall volcanic rocks. The rock sequence from the footwall contact of the volcanic unit to the hanging wall, matrix-supported breccia defines multiple events as defined by sharp lithologic breaks. The thick deposit of silica exhalite marks a hiatus in volcanism (i.e. quiescence) that abruptly terminated in breccia deposition, likely triggered by some tectonic event. The consistent and persistent occurrence of Cu mineralization within this stratigraphic sequence suggests it is VMS-related.

The spatial association of the intrusive complex with the distribution of known Cu occurrences suggests they may be related in time and space. The contact of the intrusive complex is typically veined/altered with ferruginous carbonate, similar in appearance to the mineralized carbonate alteration along the base of the volcanic/debris flow breccia. Of note is the fact that anomalous copper occurrences have not been found more than 350 meters beyond the eastern terminus of the main mapped intrusive body. The intrusive complex crosscuts footwall volcanic rocks and sediments but, to date, its relation to rocks higher in the stratigraphic section is not understood. The intrusions are variably foliated and are thus at least to some degree pre- and/or syn-deformation.

Magnetite alteration is locally noted in footwall volcanic rocks, 'gossan', and 'exhalite'; the style of occurrence is similar to that at Riqueza Marina. For example, a magnetite-bearing 'gossan' north of the Zaachila intrusion is visually identical to the very northern terminus of the Cu- and magnetite-bearing Laminas gossan at Riqueza Marina where, as well, it is intimately associated with an intrusion. Manganese is also reported in many of these exhalites.

Bornite-chalcopyrite primary mineralization associated with stringer-type footwall carbonate veining in volcanics; sample from between highway and intrusive complex.

Sulfide Nature of Copper Mineralization

Petrography of relict sulfides has not been conducted within the VMS system identified in the Riqueza Marina area. Based upon detailed field observations, some impressions include (D. Jones, per. com.):

- the majority of Cu occurrences are notable primarily by the presence, in decreasing order of abundance, of malachite, neotocite, azurite, chalcopyrite, and bornite;

- all mineralization is inferred to have been a sulfide and dominated by chalcopyrite; bornite is locally dominant in areas with reported strong carbonate veining cutting footwall volcanic rocks, and these may represent 'true' stringer zone veining;

- primary sulfide deposition is believed to have occurred in both sericitized footwall volcanic rocks and as matrix sulfides within the volcanic/debris flow breccias intimately associated with ferruginous carbonate alteration. There is no evidence that breccia mineralization is a form of secondary copper remobilization (D, Jones, per. com.); and

- despite the abundance of secondary copper minerals, it is suspected that supergene mobilization does not extend more than a few meters below the surface.

Deposit Type

Copper-gold mineralization contained within the RQMZ project area, as well as the Santa Marta project to the east, have been interpreted to represent the oxidized portions of volcanogenic massive sulfide deposits (VMS), a genetic class of mineral deposits. VMS deposits are strata-bound accumulations of sulfide minerals that precipitated at or near the sea floor in spatial, temporal and genetic association with contemporaneous mineralization (Franklin, et al, 2005). By definition, the deposits consist of two parts: a concordant massive sulfide lens (>60% sulfide minerals), and discordant vein-type mineralization located mainly in the footwall strata, commonly referred to as the stringer or stockwork zone.

Franklin, et al, 2005, classify VMS districts, vs deposits, using a lithostratigraphic scheme based primarily on the principal volcanic and sedimentary lithological units that formed concurrently with the deposits in a given district. Deposits in a single camp or district formed within time-limited (typically within <2 m.y.) volcanic episodes or stratigraphic intervals (Franklin, 1995).

The RQMZ project, along with the Santa Marta deposit to the east, are hosted by the Upper Jurassic-Lower Cretaceous package of metasediments and metavolcanics that represent a back-arc system and can be traced for over 200 km. Franklin (per. com., 2020) concludes that the geologic setting here, including the Santa Marta occurrence, are similar to the Mesozoic VMS deposits at San Nicolas (Mexico) and Tambo Grande (Peru), and overall is a "Noranda-like" sequence or "bimodal-mafic".

Franklin, et al (2005) have defined the lithologic units and tectonic settings for their lithologic classification and include the following for their "bimodal-mafic" class of VMS deposits:

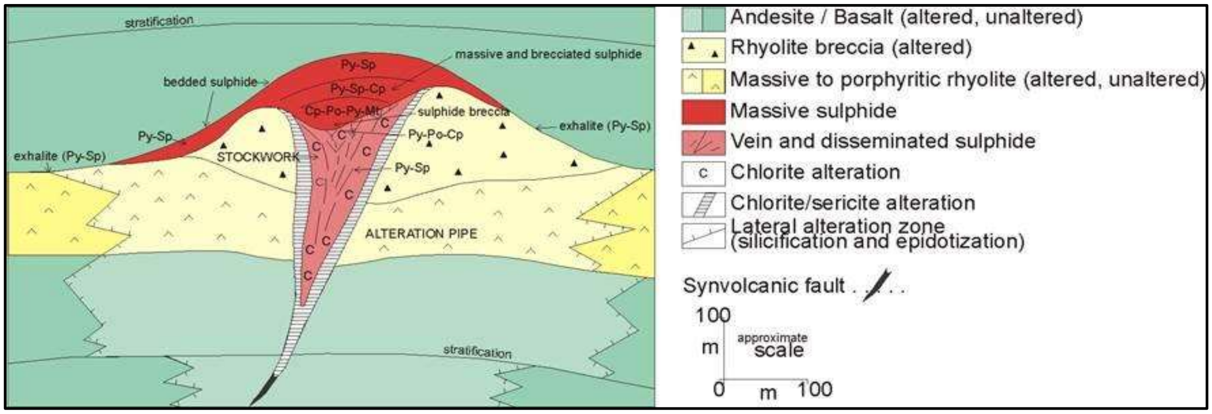
- Incipient-rifted bimodal volcanic arcs above intra-oceanic subduction (oceanic supra-subduction rifted arc);
- Basalt dominant but up to 25% felsic volcanic strata;
- Pillowed and massive basaltic flows, felsic flows and domes predominate;
- Subordinate felsic and mafic volcaniclastic rocks;
- Terrigenous sedimentary rocks are dominantly immature wacke, sandstone and argillite with local debris flows; and
- Hydrothermal chert (i.e. exhalite) common in the immediate hanging wall to some deposits.

The VMS deposits included in the "bimodal-mafic" classification are characterized in Table 4.

Table 4. Geometric means of the "bimodal-mafic" VMS deposits (Franklin, et al, 2005).

Geometric Mean	Bimodal-Mafic
Cu (%)	1.24
Pb (%)	0.30
Zn (%)	2.32
Au (g/t)	0.81
Ag (g/t)	21.14
Total sulfide ore (t)	3,421,075
Total metal (t)	128,515
N	291

The sulfide deposits of the "bimodal-mafic" class of deposits are described as the upper massive sulfide lens and underlying stringer and/or stockwork mineralization. The massive ore is bulbous with an aspect ratio of 4:1 to 2:1 and dominated by copper (core) and zinc (outer shell) and the deposits are well zoned. The underlying stringer zone typically has a diameter less than the massive sulfide zone but is vertically extensive (~20 to 500m). This funnel-shaped deposit is well-defined with an internal Cu-rich core (chalcopyrite) giving way to increasing Zn (sphalerite) at the margins.



Schematic section through a 'back-arc' or Noranda-type VMS deposit showing: massive sulfide and stringer zones; sulfide zoning; wall rock alteration and host lithologies.

Studies of both active and extinct sea-floor hydrothermal systems illustrate the strong structural control on the location of the deposits and their association with steeply dipping, possibly rift or graben-bounding master faults and associated secondary structures that may occur within, or are restricted to, the margins of larger subsidence structures, such as calderas. The coincidence between volcanic and hydrothermal vents is attributed to the similar structural control on magma emplacement and hydrothermal fluids (Franklin, et al, 2005).

Sulfur and lead isotope data support the contention that most of the VMS deposits consist of metals derived by a leaching reaction from the rocks present in the deeper semi-conformable alteration zones. In contrast, a magmatic component is suspected owing to the gold content, the enormous metal content of giant deposits, and various trace metal enrichments (As, Sb, Hg, Ag, Te, Sn) that typify some deposits and argue for a magmatic contribution. The high Au content of some deposits can result from a change of transporting complex (sulfide vs. chloride), possibly induced by boiling that can result in an enhanced efficiency of precipitation by oxidation or some other process that destabilizes the $Au(HS)^-$ complex.

Dr. James Franklin visited the district, including both the Riqueza Marina/Zaachila and Santa Marta projects in 2013, and concluded that these extensive VMS occurrences or assemblage should be considered as a "belt" in the same context as the Abitibi, Flin Flon –Snow Lake or Uchi belts in the Canadian Shield. Each of these contains several "camps" or districts. The typical spacing of VMS camps is 40-60 km, and within each, a set of deposits form a log-normally distributed set. Each set typically includes 1 or 2 giant (>30mt) deposits, 2-3 mid-sized (10-20mt) deposits, and 4-5 small (2-5mt) deposits. Not all parts of a "belt" may have VMS characteristics, and only through mapping and sampling can prospectivity be established. His review of the Riqueza Marina and Zaachila parts of the belt (Riqueza Marina project) revealed several areas with distinct attributes, including disseminated sulfides and alteration, that indicate that at least one more "camps" may occur to the west of the Santa Marta "district".

Geochemical Studies

A total of 1,171 rock samples have been collected over the Riqueza Marina project and some will be presented below within the framework of their respective concessions. Since the goal of early-stage sampling was to document the presence of copper and/or gold, it is likely that there is a strong bias toward mineralized vs. unmineralized rock. Individual samples should not be viewed as being representative of areas beyond the limits of the outcrop. A large number of rock samples were analyzed with the Thermo Scientific Niton XRF Portable Analyzer which provides reliable, real-time analytical data. Although the Niton results were not sent for assaying and cannot be verified, resulting anomalies provided guidance for subsequent rock sampling confirming the Niton analyses.

Over the Riqueza Marina concessions, the following have been collected: 863 rock chip samples; 740 soil samples (XRF analyses) and 46 stream sediment samples. Extensive, although poorly defined, outcrops and sub-crops of oxidized sulfides, massive lenses or stringer-type mineralization, are ubiquitously mineralized (n=229).

Soil sampling was conducted over areas in a non-systematic manner where iron oxides were clearly enriched rendering a red to orange coloration of the soil. The Niton XRF Portable Analyzer was utilized on soil material taken from the 'C' horizon; soil samples were measured in the field and samples were not sent to a laboratory for analyses. The analytical results are considered to be semi-quantitative and used as much as a mapping tool for defining gossan limits. Owing to the inability to confirm the soil results, they are not presented below.

Table 6. Summary of Au + Cu-in-rock samples, Riqueza Marina area.

# Samples	%	Cu (%)	Au (g/t)
10	4.3	>10	
26	11.4	>1	
59	25.8	>0.5	
97	42.4	>0.2	
1	0.4		>2.0
13	5.7		>0.2
17	7.4		>0.1

More specifically, the most recent rock sampling within the Riqueza Marina block has focused on the gossan discoveries at Laminas West and Laminas East. Extensive outcrop and sub-crop at both areas reveal Cu-rich gossans which most probably reflect the surface manifestation of a VMS deposit.

In addition to the geochemical studies, litho-geochemical studies were conducted by Dr. James Franklin for both the Riqueza Marina and Zaachila areas and are briefly summarized below. Owing to the close temporal relation between sulfides and hosting rocks in the VMS setting, major elemental oxides, pathfinder elements and elemental ratios can be utilized to place samples spatially in the VMS model, i.e. HW (hanging wall) vs FW (footwall). It is noteworthy that pre-2017 geochemical sample digestion utilized agua regia whereas, per Jim Franklin's suggestion, sample digestion now utilizes the 4-acid method which is better suited for litho-geochemical studies critical in VMS exploration.

Analysis

Exploration activities conducted in RQMZ project area since the initial visits in the early 2000s and more specifically, since 2017, have identified a 'camp'. Preliminary geological mapping, along with geochemical and geophysical studies, have defined several high-quality targets that are drill-ready. The studies have identified areas where additional technical information needs to be collected and is proposed in the following work plan and budget. High quality drill data will likely fill many of these technical needs in the areas of litho-geochemistry, sulfide mineralogy, metallurgical testing (if warranted), volcanic stratigraphy and downhole geophysics. It is likely upon the conclusion of Phase 1 drill program, the technical understanding of the RQMZ project will be rapidly elevated.

Drilling

No drilling has been conducted at the Riqueza Marina/Zaachila project by Acapulco or others.

Sampling

All sampling, both rocks and soils, at the RQMZ project has been overseen by Mr. David Jones and his technical staff and essentially subject to the same protocols since 2010. Rock sampling has been based upon the rock's appearance with the goal of identifying potential mineralization – a logical bias in early-stage exploration. Field samples were bagged at the outcrop, sealed and transported to a secure storage facility until transport to the analytical facility. All analytical work has been conducted by ALS who maintains a sample preparation facility in Guadalajara, Mexico. The writer has confirmed that ALS and the Issuer have no relation beyond samples and services rendered. Additionally, ALS is a globally recognized analytical company and maintains a broad array of QA/QC procedures to assure maximum integrity in their analytical results.

Sample prep occurred in Guadalajara where samples were dried, crushed, split and pulverized to produce a pulp(s) which are flown to Vancouver for analyses. No blanks or standards were inserted in the shipments by Acapulco Gold as ALS maintains their own internal QA/QC procedures (D. Jones, per. com.). Sample methods were ME-MS41(aqua regia digestion) and ME-MS61 (four acid digestion), the latter used most commonly because it provides results more applicable to litho-geochemical studies. The Niton XRF portable analyzer was employed for Cu, Pb and Zn analyses and assisted in the identification of large soil anomalies and confirmed by the eventual identification of rock anomalies.

ALS employs a global quality management system that meets all requirements of International Standards ISO/IEC 17025:2017 and ISO 9001:2015. All ALS geochemical hub laboratories, including Guadalajara, Mexico are accredited to ISO/IEC 17025:2017 for specific analytical procedures. The quality program includes quality control steps through sample preparation and analysis, inter-laboratory test programs, and regular internal audits.

All analytical work was completed prior to the writer's visit in 2020. Owing to the imprecise, almost random, nature of reconnaissance-type sampling across the RQMZ project, the data base provided to the writer is consistent with rocks observed (visible copper oxides) during the visit and the results following from the authors data verification. It is emphasized that all rocks sampled were oxidized to some degree resulting in both depletion and, potentially, enrichment of the selected elements. Gossans, by definition, refer to the oxidized portion of a sulfide-bearing rock with wholesale leaching of metals and the residual enrichment of iron and silica. These rocks do not quantitatively reflect the target but likely reflect elements contained in the target. The sampling procedures employed are consistent with reconnaissance-type or early-stage exploration while sample preparation, security and analytical procedures are consistent with industry standards. Regardless, future rock sampling should employ internal blanks and standards inserted prior to delivery to the laboratory. Also, the use of the Niton Portable XRF Analizer should be considered preliminary and the results should not be integrated with the more reliable assay results.

There has not been any metallurgical testing on mineralized rock from the Riqueza Marina/Zaachila project.

There are no Mineral Resource estimates for the Riqueza Marina/Zaachila project.

Recommendations of the Author

The RQMZ project is composed of two concession blocks containing several prospects where differing levels of exploration activity have been completed. All targets have been presented within the framework of established VMS characteristics and models. Most importantly, the prospects are defined by their geochemistry and, in particular, copper and gold. The widespread anomalies are closely associated with rocks known to be associated with VMS deposits and, most importantly, with oxidized sulfides, i.e. gossans, which attest to the presence of sulfide mineralization at shallow depths. These highly prospective areas are draped over by both gravity and magnetic surveys which help to provide a third dimension, as well as confidence, to the drilling of the targets.

Based upon the Author's visit to the RQMZ project area in September, 2020 and discussions with the late Mr. David Jones, several recommendations for additional work are provided below and will be conducted in conjunction with the drilling. These include:

- Additional geologic mapping in both the Riqueza Marina and Zaachila blocks to provide better geologic context surrounding the areas surveyed in the 2019 geophysical program;

- Expand the gravity survey over the northern gossan areas and IP over selected targets at Riqueza Marina;
- Conduct IP surveys along several lines over selected areas at Zaachila;
- Additional geochemical sampling over recently identified prospects over both claim blocks;
- Complete environmental permitting for the proposed drilling program;
- Engage the hosting communities for necessary permissions and support community projects; and
- Drill 4,800 metres of core at the primary targets in the Riqueza Marina area as identified in the geologic, geochemical and geophysical studies completed to date.

PART IV – INFORMATION CONCERNING THE RESULTING ISSUER

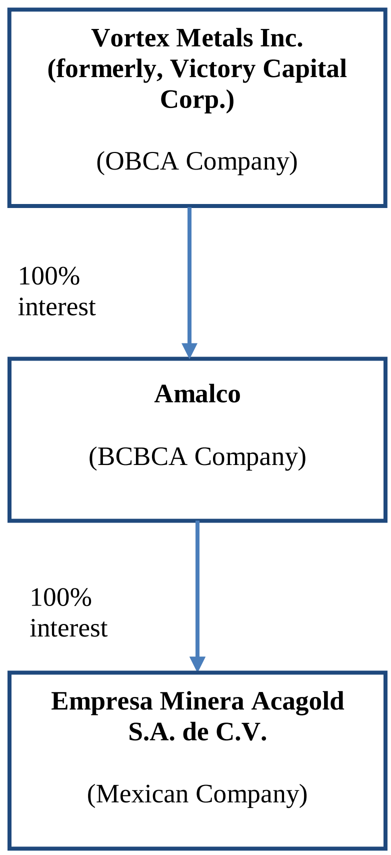
Information contained in this Part IV assumes the Completion of the Qualifying Transaction and approval by the TSXV.

Corporate Structure

It is expected that the Resulting Issuer will continue to be subject to the OBCA and that the registered office of the Resulting Issuer will be located at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3. The head office of the Resulting Issuer will be located at Suite 1500, 409 Granville St., Vancouver, British Columbia V6C 1T2.

Intercorporate Relationships

The following organizational chart reflects the proposed structure of the Resulting Issuer after Completion of the Qualifying Transaction:



Description Of The Business

Following the Closing, the Resulting Issuer will continue to carry on the business of Acapulco. See "*Part II – Information Concerning Acapulco*".

Upon Completion of the Qualifying Transaction, the Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices given the stage of the Resulting Issuer.

Stated Business Objectives

In addition to having the same stated business objectives as Acapulco, the Resulting Issuer intends to utilize the funds over the next 12 months after Completion of the Qualifying Transaction as described in the below table:

Milestone	Target Date
Complete ongoing drill permitting at Riqueza Marina and initiate drill permitting at Zaachila projects.	June 15, 2022
Initiate first round of drilling at Riqueza Marina project	September 15, 2022
Initiate first round of drilling at Zaachila project	December 15, 2022
Ongoing follow-up exploration mapping and sampling to refine existing, and to generate additional, exploration targets.	March 15, 2023

Description Of The Securities

Resulting Issuer Shares

The authorized capital of the Resulting Issuer will consist of an unlimited number of common shares with no par value. On Closing, it is anticipated that 60,080,059 Resulting Issuer Shares will be issued and outstanding, as fully paid and non-assessable shares in the capital of the Reporting Issuer.

The holders of the Resulting Issuer Shares are entitled to dividends, if, as and when declared by the Board; to one vote per Resulting Issuer Share at meetings of the holders of Resulting issuer Shares; and, upon liquidation, to share equally in such assets of the Resulting Issuer as are distributable to the holders of the Resulting Issuer Shares. All Resulting Issuer Shares to be outstanding after Completion of the Qualifying Transaction will be fully paid and non-assessable and shall not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a shareholder of the Resulting Issuer to contribute additional capital.

Resulting Issuer Options

Upon Closing, 101,775 Resulting Issuer Options will be issued and outstanding, each exercisable into one Resulting Issuer Share at a price of $0.20 per Resulting Issuer Share. The Resulting Issuer anticipates granting an additional 4,500,000 Resulting Issuer Options to Eligible Persons following the Completion of the Qualifying Transaction. Assuming that 60,080,059 Resulting Issuer Shares will be issued and outstanding upon Completion of the Qualifying Transaction, the Resulting Issuer may grant up to an additional 1,271,230 Resulting Issuer Options pursuant to the Resulting Issuer Stock Option Plan.

Holders of Resulting Issuer Options will have no claim to dividend rights, voting rights, rights upon dissolution or winding- up of the Resulting Issuer, pre-emptive rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or provisions requiring a holder to contribute additional capital (except upon exercise).

Resulting Issuer Warrants

Each Resulting Issuer Warrant entitles the holder to receive one Resulting Issuer Share for a price of $0.20 per Resulting Issuer Share for a period of twenty-four (24) months from the date of issuance.

Pro-Forma Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the transactions described in the unaudited *Pro Forma* Consolidated Financial Statements attached hereto as Schedule "E".

Designation of Security	Amount Authorized or to be authorised	Amount Outstanding After Giving Effect to the Qualifying Transaction
Resulting Issuer Shares	Unlimited	60,080,059
Resulting Issuer Options	6,008,005	4,907,100

Fully Diluted Share Capital

In addition to the information set out in the capitalization table above, the following table sets out the fully diluted share capital of the Resulting Issuer after Completion of the Qualifying Transaction.

	Number of Securities	Percentage of Total After Giving Effect to the Proposed Qualifying Transaction
Resulting Issuer Shares issued and outstanding pursuant to the Victory Shares previously held by Victory Shareholders	5,088,750	7.6%
Resulting Issuer Shares issued pursuant to the Merger (to be issued to holders of existing Acapulco Common Shares)	6,744,104	10.1%
Resulting Issuer Shares issued upon the automatic exercise of the QT Subscription Receipts	21,660,000	32.5%
Resulting Issuer Shares issued relating to the purchase of the Acapulco Property	25,000,000	37.5%
Resulting Issuer Shares issued as part of transaction costs of the Qualifying Transaction	1,587,205	2.4%
TOTAL:	**60,080,059**	**90.0%**
Resulting Issuer Options pursuant to the Resulting Issuer Option Plan	4,907,100	7.4%
Resulting Issuer reserved for issuance pursuant to the exercise of the Resulting Issuer Warrants	1,732,800	2.6%
Total Number Of Issued And Outstanding Resulting Issuer Shares On A Fully Diluted Basis	**66,719,959**	**100%**

Estimated Available Funds and Principal Purposes

Estimated Available Funds

The following table sets out the estimated funds available to the Resulting Issuer following the Completion of the Qualifying Transaction:

Estimated Funds Available	Amount ($)
Estimated working capital of Victory as at February 28, 2022[(1)]	(98,258)
Estimated working capital of Acapulco as at February 28, 2022 [(2)(4)]	(387,520)
Estimated gross proceeds from the QT Financing	4,332,000
Estimated transaction costs - QT Financing	(346,560)
Estimated cash payment for property acquisition [(3)]	(200,000)
Estimated transaction costs – corporate finance fees	(50,000)
Estimated transaction costs – audit fees	(50,000)
Estimated transaction costs – legal costs	(150,000)
Estimated transaction costs – miscellaneous	(40,000)
Total Estimated Available Funds	**3,009,662**

Notes:

(1) Cash related to the QT Financing has been removed from working capital of Victory as at February 28, 2022 in the amount of $289,000, as it is added in on the line below.

(2) Cash related to the QT Financing has been removed from working capital of Acapulco as at February 28, 2022 in the amount of $4,043,200, as it is added in on the line below.

(3) To acquire 100% interest in the Acapulco Property, Acapulco will issue a total of 25,000,000 Acapulco Common Shares and pay $200,000 to Minera Zalamera.

(4) To acquire 100% interest in the Acapulco Property, Acapulco will pay $32,000 to Minera Zalamera, or such other party as Mineral Zalamera directs, representing expenses incurred in relation to the Acapulco Property which have already accrued in Acapulco working capital.

Principal Purposes of Funds

The following table sets forth the principal purposes for which the estimated funds available upon Completion of the Qualifying Transaction will be used over the subsequent 12-month period:

Principal Use of Available Funds	Amount ($)
Estimated General and Administrative Costs	852,500
Estimated Investor Relation Costs	75,000
Estimated Lease Payments	50,000

Principal Use of Available Funds	Amount ($)
Estimated Property Taxes Payable with respect to the Acapulco Property (for calendar years 2021 and 2022)	400,000
Estimated Phase 1 Exploration Costs(1)	1,496,000
Unallocated Working Capital	136,162
Total:	**3,009,662**

Notes:
(1) Estimated Phase 1 exploration costs are estimated to be USD$1,175,000, converted as at February 28, 2022 using an exchange rate of CAD$1.27352/USD$1.

The above sources and uses of funds are estimates only. Notwithstanding the proposed uses of the estimated available funds as discussed above, there may be circumstances where a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Dividend Policy

The Resulting Issuer does not currently intend to pay any cash dividends or distributions on the Resulting Issuer Shares in the foreseeable future and, therefore, holders of Resulting Issuer Shares may not be able to receive a return on their Resulting Issuer Shares unless they sell such Resulting Issuer Shares. The Resulting Issuer's policy will be to retain earnings to reinvest in the Resulting Issuer.

The Resulting Issuer's dividend policy will be reviewed from time to time by the Board in the context of its earnings, financial condition and other relevant factors. Until the Resulting Issuer pays dividends on the Resulting Issuer Shares, which it may never do, its shareholders will not be able to receive a return on the Resulting Issuer Shares unless they sell them.

Principal Security Holders

Other than as disclosed in the table below, to the knowledge of management of Victory and Acapulco, no person or company is anticipated to own of record of beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer upon Completion of the Qualifying Transaction.

Name and Municipality of Residence	Number and Percent of Resulting Issuer Shares
Estate of David Jones, *Tuscon, Arizona*	9,545,444(1) (15.89%)

Notes:
(1) Resulting Issuer Shares will be held directly and indirectly through Paradex Inc. and Minera Zalamera.
(2) Assuming 60,080,059 Resulting Issuer Shares outstanding upon Completion of the Qualifying Transaction.

Directors, Officers and Promoters

The following table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer upon Completion of the Qualifying Transaction, their proposed positions and offices to be held with the Resulting Issuer, and their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon Completion of the Qualifying Transaction.

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each director or officer has served as a director or officer of the Resulting Issuer	Proposed Position With the Resulting Issuer	Number and Percent of Resulting Issuer Shares
Vikas Ranjan, *Toronto, Ontario*	President of Gravitas Financial Inc. ("**Gravitas**"), a financial services and advisory company listed on the CSE, since July 2015 and Executive Vice President of Gravitas from July 2013 until June 2015; Managing Director of Ubika Corp. (now Gravitas) from January to June 2013.	N/A	Director and Chief Executive Officer	2,000,000(3)(5) (3.33%)(1)
Roger He, *Vancouver, British Columbia*	Partner, GIC Merchant Bank (Oct. 2017 to Present) UDP, Enoch Wealth Inc. (EMD) (2016 – Sept. 2017) PT public accounting practitioners, Jun Hu Inc. 2018 - Intern CEO and Director, Victory Capital Corp. (2020-Present) Intern CEO and Director, Alset Capital Inc. (March 2020 – Present)	September 28, 2020 – Present	Chief Financial Officer	330,000 (0.55%)(1)

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each director or officer has served as a director or officer of the Resulting Issuer	Proposed Position With the Resulting Issuer	Number and Percent of Resulting Issuer Shares
Sheryl Dhillon, *Richmond, British Columbia*	Self employed as corporate secretary to multiple public companies (2006 - Present)	N/A	Corporate Secretary	Nil
Michael Williams, *Vancouver, British Columbia*	Executive Chairman of Aftermath Silver TSXV: AAG (January 2020 – Present) and previously, the Interim CEO. CEO and President of Vendetta Mining TSXV: VTT (May 2010 – Present).	N/A	Director	2,108,333[(2) (6)] (3.51%)[(1)]
John Larson, *Tuscon, Arizona*	John Larson is President and Principal of Lucero Exploration, an Arizona-registered company providing international consulting services in mineral exploration and development for multiple clients. He is also a director of several junior explorers and academic advisory councils.	N/A	Director	439,661[(4)] (0.73%)[(1)]

Notes:

(1) Assuming 60,080,059 Resulting Issuer Shares outstanding.
(2) 2,083,333 of Mr. Williams' Resulting Issuer Shares will be held indirectly through Octavian Capital Corp.
(3) 2,000,000 of Mr. Ranjan's Resulting Issuer Shares will be held indirectly through 2286252 Ontario Inc.
(4) Mr. Larson's Resulting Issuer Shares will be held directly and indirectly through Larson Family Trust DTD 10/04/99.
(5) 2,000,000 Acapulco Common Shares allocated to Mr. Ranjan out of the 25,000,000 Acapulco Common Shares issued to Paradex Inc. in connection with the purchase of the Acapulco Property.
(6) 1,850,000 Acapulco Common Shares allocated to Mr. Williams out of the 25,000,000 Acapulco Common Shares issued to Paradex Inc. in connection with the purchase of the Acapulco Property.

The following table lists the names, municipalities of residence of the proposed directors and officers of Amalco upon Completion of the Qualifying Transaction, their proposed positions and offices to be held with Amalco, and their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon Completion of the Qualifying Transaction.

Name and Municipality of Residence	**Principal Occupations for the Last Five Years**	**Period or periods during which each director has served as a director of Acapulco**	**Proposed Position With Amalco**	**Number and Percent of Resulting Issuer Shares**
Vikas Ranjan, *Toronto, Ontario*	President of Gravitas, a financial services and advisory company listed on the CSE, since July 2015 and Executive Vice President of Gravitas from July 2013 until June 2015; Managing Director of Ubika Corp. (now Gravitas) from January to June 2013.	N/A	Director, Chief Executive Officer and President	2,000,000(3)(5) (3.33%)(1)
Roger He, *Vancouver, British Columbia*	Partner, GIC Merchant Bank (Oct. 2017 to Present) UDP, Enoch Wealth Inc. (EMD) (2016 – Sept. 2017) PT public accounting practitioners, Jun Hu Inc. 2018 - Intern CEO and Director, Victory Capital Corp. (2020-Present) Intern CEO and Director, Alset Capital Inc. (March 2020 – Present)	N/A	Chief Financial Officer	330,000 **(**0.55%)(1)

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each director has served as a director of Acapulco	Proposed Position With Amalco	Number and Percent of Resulting Issuer Shares
Michael Williams, *Vancouver, British Columbia*	Executive Chairman of Aftermath Silver TSXV: AAG (January 2020 – Present) and previously, the Interim CEO. CEO and President of Vendetta Mining TSXV: VTT (May 2010 – Present).	June 8, 2017 to Present	Chairman	2,108,333(2) (6) (3.51%)(1)
Sheryl Dhillon, *Richmond, British Columbia*	Self employed as corporate secretary to multiple public companies (2006 - Present)	N/A	Corporate Secretary	Nil
John Larson, *Tuscon, Arizona*	John Larson is President and Principal of Lucero Exploration, an Arizona-registered company providing international consulting services in mineral exploration and development for multiple clients. He is also a director of several junior explorers and academic advisory councils.	January 12, 2012 to Present	Director	439,661(4) (0.73%)(1)

Notes:

(1) Assuming 60,080,059 Resulting Issuer Shares outstanding.
(2) 2,083,333 of Mr. Williams' Resulting Issuer Shares will be held indirectly through Octavian Capital Corp.
(3) 2,000,000 of Mr. Ranjan's Resulting Issuer Shares will be held indirectly through 2286252 Ontario Inc.
(4) Mr. Larson's Resulting Issuer Shares will be held directly and indirectly through Larson Family Trust DTD 10/04/99.
(5) 2,000,000 Acapulco Common Shares allocated to Mr. Ranjan out of the 25,000,000 Acapulco Common Shares issued to Paradex Inc. in connection with the purchase of the Acapulco Property.
(6) 1,850,000 Acapulco Common Shares allocated to Mr. Williams out of the 25,000,000 Acapulco Common Shares issued to Paradex Inc. in connection with the purchase of the Acapulco Property.

As a group, the directors and officers of the Resulting Issuer and Amalco will hold approximately 4,877,994 Resulting Issuer Shares (on a non-diluted basis), representing 8.12% of all issued and outstanding Resulting Issuer Shares.

The following is a brief description of each of the proposed members of management for the Resulting Issuer and Amalco (including details with regard to their principal occupations for the last five years):

Vikas Ranjan (Age 50), Chief Executive Officer and Director of the Resulting Issuer, and Director, Chief Executive Officer and President of Amalco

Vikas Ranjan is a management professional with an MBA in Finance from McGill University, Montreal, Canada. His background includes over 25 years experience in diverse areas of finance, capital markets, entrepreneurship and investing. He is a co-founder of Gravitas Group of companies and his experience encompasses working in senior executive roles, both in Canada and India. Mr. Ranjan has been involved in launching several public and private enterprises in the areas of capital markets and growth investing. He currently serves on the boards of several public and private companies.

Mr. Ranjan is not currently an employee of either Acapulco or Victory; it is anticipated that Mr. Ranjan's will become an employee of the Resulting Issuer. It is expected that he will devote 55% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Chief Executive Officer and a director of the Resulting Issuer.

Roger He (Age 33), Chief Financial Officer of the Resulting Issuer and Amalco

Roger He is a finance and accounting professional with a MSC in finance from Simon Fraser University, BC, Canada. His background includes over 10 years experience in diverse areas of assurance, accounting, corporate finance, capital market, and investing. He is a partner of GIC Merchant bank and his experiences encompasses working in varieties of finance and accounting senior executive roles. Mr. He has extensive experiences to seek growth capital from oversea institutions.

He currently serves on the board of numbers of public companies and private companies. He is a CPA with practitioner license and a member of CFA.

Mr. He is currently an employee and director of Victory; it is anticipated that Mr. He's will become an employee of the resulting issuer. It is expected that he will devote 25% of his time to the business of resulting issuer to effectively fulfill his duties as the Chief Finance Officer of the Resulting Issuer.

Sheryl Dhillon (Age 42), Corporate Secretary of the Resulting Issuer and Amalco

Ms. Dhillon is a highly experienced corporate secretary with over fifteen years of experience. She has extensive knowledge of corporate governance, as well as strong management skills and excellent corporate communications. Ms. Dhillon acts as Corporate Secretary for several TSXV and CSE listed companies and will act as an independent contractor devoting approximately 15% of her time to the Resulting Issuer.

Michael Williams (Age 58), Director of the Resulting Issuer and Chairman of Amalco

Michael Williams has over 20 years of experience as a senior executive within the mining industry. He is experienced in the structuring, administrating and marketing of Toronto Stock Exchange listed companies. Mr. Williams has been Executive Chairman of numerous public companies including Underworld Resources Ltd, which was sold to Kinross Gold Corp for $138,000,000. He has developed an international banking and financing network that includes extensive contacts with both institutional and retail investors and has raised significant capital funds for advanced exploration and development projects. He currently serves as a director, President and CEO of Vendetta Mining Corp. and is the Founder and Chairman of Aftermath Silver.

Mr. Williams is an employee of Acapulco. Mr. Williams is not expected to be an employee or independent contractor of the Resulting Issuer. It is expected that he will devote 30% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a director of the Resulting Issuer.

John Larson (Age 64), Director of the Resulting Issuer and Amalco

John Larson holds advanced degrees in geology and chemistry from the University of Western Ontario and the Colorado School of Mines. With over 40 years' experience, he is known as an expert in volcanogenic massive sulphide deposits and porphyry systems. His career exploration team successes include the La Choya and La Trinidad gold deposits in Mexico; the HD Summit, Big Ledge, Snoose Creek and Loomis Creek barite deposits in the U.S.; and the

Santo Domingo copper-iron-gold deposit in Chile, as well as successful brownfields programs in Australia and South America.

Mr. Larson is not an employee nor an independent contractor of Acapulco. It is not expected Mr. Larson will become an employee or independent contractor of the Resulting Issuer. It is expected that he will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a director of the Resulting Issuer.

Committees of the Board

Following the Completion of the Qualifying Transaction, the Board intends to establish an Audit Committee.

Audit Committee

The Audit Committee of the Resulting Issuer is expected to be comprised of Vikas Ranjan, John Larson, and Michael Williams.

John Larson and Michael Williams are "independent" within the meaning of National Instrument 52-110 — *Audit Committees*. Vikas Ranjan is not considered "independent" within the meaning of National Instrument 52-110 — *Audit Committees* as he will be the Chief Executive Officer of the Resulting Issuer. All three members of the Audit Committee are "financially literate" within the meaning of National Instrument 52-110 — *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see the relevant biographical experiences for each member of the Audit Committee under "*Directors, Officers and Promoters*".

The Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, within the ten years before the date of this Filing Statement, no proposed director, officer or Promoter of the Resulting Issuer is or has been a director, officer or Promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(b) 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, state the fact.

Mr. Michael Williams is Executive Chairman and Director of Aftermath Silver Ltd., a British Columbia registered company that is listed on the TSX Venture Exchange Inc. On October 6, 2015, Aftermath Silver was subject to a cease trade order for failure to file financial statements. The cease trade order was lifted on August 18, 2017 by the British Columbia Securities Commission.

Mr. Vikas Ranjan was a director and the President of Gravitas Financial Inc. when the Ontario Securities Commission issued a cease trade order against Gravitas Financial Inc. on May 6, 2019 for failing to file its annual financial statements, management's discussion and analysis and related certificates for the year ended December 31, 2018.

Gravitas Financial Inc. filed its annual financial statements, management's discussion and analysis and related certificates for the year ended December 31, 2018 on May 21, 2019 and the cease trade order was revoked by the Ontario Securities Commission on May 22, 2019. Mr. Ranjan also held these positions when the Ontario Securities Commission issued a cease trade order against Gravitas Financial Inc. on June 5, 2019 for its failure to file its interim financial statements, management's discussion and analysis and related certificates for the period ended March 31, 2019. Gravitas Financial Inc. filed its interim financial statements, management's discussion and analysis and related certificates for the period ended March 31, 2019 on June 24, 2019 and the Ontario Securities Commission revoked the cease trade order on June 26, 2019.

The foregoing information, not being within the knowledge of Acapulco, has been furnished by the proposed directors.

Penalties or Sanctions

To the knowledge of Acapulco, no proposed director, officer or Promoter of the Resulting Issuer has:

(a) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Qualifying Transaction.

Personal Bankruptcies

To the knowledge of Acapulco, no director, officer or Promoter of the Resulting Issuer, or a personal holding company of any of them, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the Completion of the Qualifying Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers. To the knowledge of the directors and officers of Acapulco, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon Completion of the Qualifying Transaction, as of the date of this Filing Statement.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	**Name and Jurisdiction of Reporting Issuer**	**Name of Trading Market**	**Position**	**From**		**To**	
				MM	**YY**	**MM**	**YY**
Vikas Ranjan	Alset Capital Inc. (formerly Prosmart Enterprises Inc.), *British Columbia*	TSXV	Director	03	2020	Present	

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From		To	
				MM	YY	MM	YY
	Must Capital Inc. (formerly Intrinsic4D Inc.), *Ontario*	TSXV	Director	02	2018	Present	
	The Mint Corporation, *Ontario*	TSXV	Director	02	2018	Present	
	Marble Financial Inc., *Canada*	CSE	Director	01	2018	07	2021
	Gravitas Financial Inc. (formerly Searchgold Resources Inc.), *Canada*	CSE	Director and President	06	2013	Present	
	Carl Data Solutions Inc., *British Columbia*	CSE	Director	12	2020	Present	
	Prime City One Capital Corp., *Ontario*	TSX	Director	03	2019	12	2019
	Comprehensive Healthcare Systems Inc.	TSXV	Director	09	2021	Present	
	Secova Metals Corp.	CSE	Director	08	2021	Present	
Roger He	Alset Capital Inc. (formerly Prosmart Enterprises Inc.), *British Columbia*	TSXV	Chief Executive Officer and Director	03	2020	Present	
	Zecotek Photonics Inc., *British Columbia*	TSXV	Director	11	2018	06	2019
Sheryl Dhillon	Aftermath Silver Ltd. (formerly Full Metal Zinc Ltd.), *British Columbia*	TSXV	Corporate Secretary	02	2011	Present	
	Battery Mineral Resources Corp. (formerly Fusion	TSXV	Corporate Secretary	12	2019	Present	

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From		To	
				MM	YY	MM	YY
	Gold Ltd.), *British Columbia*						
	Copperbank Resources Corp., *British Columbia*	CSE	Corporate Secretary	11	2014	Present	
	Genesis Metals Corp. (formerly Entourage Metals Ltd.), *British Columbia*	TSXV	Corporate Secretary	10	2010	Present	
	Group Eleven Resources Corp., *British Columbia*	TSXV	Corporate Secretary	01	2018	Present	
	Minaurum Gold Inc., *British Columbia*	TSXV	Corporate Secretary	05	2010	Present	
	Vendetta Mining Corp., *British Columbia*	TSXV	Corporate Secretary	08	2014	Present	
	Heliostar Metals Ltd., *British Columbia*	TSXV	Corporate Secretary	02	2015	Present	
	Healthspace Data Systems Ltd., *British Columbia*	CSE	Corporate Secretary	03	2016	Present	
	VSBLTY Groupe Technologies Corp., *British Columbia*	CSE	Corporate Secretary	05	2019	Present	
	Blackwolf Copper and Gold Ltd., *Alberta*	TSXV	Corporate Secretary	08	2020	Present	
Michael Williams	Full Metal Minerals Ltd., *British Columbia*	TSXV	Director	10	2014	Present	
			President and Chief Executive Officer	10	2014	12	2020
			Chairman	12	2020	Present	

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From		To	
				MM	YY	MM	YY
	Aftermath Silver Ltd. (formerly Full Metal Zinc Ltd.), *British Columbia*	TSXV	Executive Chairman	07	2011	Present	
			Director	02	2011	Present	
	Gold Hunter Resources Inc., *British Columbia*	CSE	Director	10	2019	Present	
	Minaurum Gold Inc., *British Columbia*	TSXV	Director	01	2009	12	2019
	Fremont Gold Ltd., *British Columbia*	TSXV	Director	09	2014	Present	
	Oro X Mining Corp., *British Columbia*	TSXV	Director	07	2010	10	2018
	Vendetta Mining Corp., *British Columbia*	TSXV	President, Chief Executive Officer and Director	05	2010	Present	
	Sona Resources Corp. (formerly J-Pacific Gold Inc.), *British Columbia*	TSXV	Director	03	2011	09	2016
John Larson	Nevada Exploration Inc., *Canada*	TSXV	Director	12	2012	Present	

Executive Compensation

Compensation Discussion and Analysis

Disclosure of the executive compensation practices for Acapulco is set forth in "*Part II –Information Concerning Acapulco – Executive Compensation*". It is anticipated that the Resulting Issuer will continue the executive compensation practices of Acapulco upon Completion of the Qualifying Transaction. It is anticipated that from time to time Resulting Issuer Options will be granted under the Resulting Issuer Option Plan to: provide an incentive to the participants; to achieve the longer-term objectives of the Resulting Issuer; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Resulting Issuer; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer.

Director Compensation

Upon Completion of the Qualifying Transaction the directors of the Resulting Issuer will determine how much, if any, compensation will be paid to directors for services rendered to the Resulting Issuer by them in that capacity. Such incentives may be in the form of an annual director's fee and/or in the form of incentive Resulting Issuer Options pursuant to the Resulting Issuer Option Plan.

Indebtedness Of Directors And Officers

No director, officer, Promoter, member of management, nominee for elections as director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to Victory or Acapulco or is expected to be indebted to the Resulting Issuer following the Completion of the Qualifying Transaction.

Options

On June 29, 2021, the Resulting Issuer Stock Option Plan was approved at the Victory Meeting and will be the stock option plan of the Resulting Issuer upon Completion of the Qualifying Transaction. Please see the section, "*Information About Victory – Stock Options Granted*".

Stock Option Plan

Upon the Completion of the Qualifying Transaction, it is expected that the Resulting Issuer will adopt the Victory Option Plan. For further details, see section "*Information About Victory – Stock Option Plan*".

Escrowed Securities

Victory Founders Shares

As of the date of the Filing Statement there are 1,200,000 CPC Escrow Shares subject to the CPC Escrow Agreement.

There are two classes of escrow to which certain Common Shares will be subject to the CPC Escrow Agreement: (i) CPC Escrow Shares; and (ii) Value Escrow Shares. The CPC Escrow Shares are subject to an escrow that continues as part of the initial public offering of Victory, while the Value Escrow Shares are subject to an escrow as a result of the Qualifying Transaction.

Terms of the Escrow for the CPC Escrow Shares

CPC Escrow Shares are Resulting Issuer Shares held in escrow pursuant to Section 1.1 of the CPC Policy, and released in accordance with the following timeline:

Release Dates	Percentage of Total Escrowed Securities to be Released
Date of Final Exchange Bulletin	25%
6 months following Final Exchange Bulletin	25%
12 months following Final Exchange Bulletin	25%
18 months following Final Exchange Bulletin	25%
TOTAL	**100%**

The CPC Escrow Agreement allows the transfer of CPC Escrow Shares within escrow to existing or, upon their appointment, incoming directors or senior offices of Victory if the transfer is approved by the Board, the requisite application is made to the TSXV and the TSXV does not object, and the Escrow Agent receives customary deliverables associated with the transfer.

CPC Escrow Shares may be transferred within escrow to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to Victory's outstanding securities or to a person or company if after the proposed transfer the transferee will hold more than 10% of the voting rights of Victory and has the right to elect or appoint one or more directors or senior officers of Victory provided that the requisite application is made to the TSXV and the TSXV does not object, and the Escrow Agent receives customary deliverables associated with the transfer.

CPC Escrow Shares may be transferred within escrow to a trustee in bankruptcy provided the requisite application is made to the TSXV and the TSXV does not object, and the Escrow Agent receives customary deliverables associated with the transfer.

CPC Escrow Shares may be transferred within escrow to a financial institution provided the requisite application is made to the TSXV and the TSXV does not object, and the Escrow Agent receives customary deliverables associated with the transfer.

CPC Escrow Shares may be transferred within escrow to or between a registered retirement savings plan, registered retirement income fund or other similar registered plan or fund with a trustee where the beneficiaries of the plan or fund are limited to the transferor, their spouse, children, or parents provided the requisite application is made to the TSXV and the TSXV does not object, and the Escrow Agent receives customary deliverables associated with the transfer.

CPC Escrow Shares may be additionally transferred within escrow upon consent of the TSXV in other circumstances and on such terms and conditions as it deems appropriate.

The following table sets out, as of the date hereof and to the knowledge of Victory and Acapulco, the name and municipality of residence of the security holders whose Resulting Issuer Shares will continue to be subject to the CPC Escrow Agreement.

		Prior to Giving Effect to the Qualifying Transaction		**After Giving Effect to the Qualifying Transaction**	
Name and Municipality of Residence of Securityholder	**Designation of Class**	**Number of Securities held in Escrow**	**Percentage of Class**	**Number of Securities to be held in Escrow**	**Percentage of Class**
Raj Dewan, *Toronto, Ontario*	Resulting Issuer Shares	200,000	3.93%	200,000	0.3%
Roger He, *Vancouver, British Columbia*	Resulting Issuer Shares	330,000	6.48%	330,000	0.6%
Greg Johnston, *Vancouver, British Columbia*	Resulting Issuer Shares	335,000	6.58%	335,000	0.6%
Robert Geisthardt, *Kelowna, British Columbia*	Resulting Issuer Shares	335,000	6.58%	335,000	0.6%

Notes:
(1) Assuming 5,088,750 Victory Shares are issued and outstanding prior to giving effect to the Qualifying Transaction.
(2) Assuming the maximum issuance pursuant to the QT Financing.

Terms of the Escrow for Common Shares held by Principals

In accordance with Section 6.1(a) of Policy 5.4 –*Escrow, Vendor Consideration and Resale Restrictions* of the TSXV Corporate Finance Manual, all Resulting Issuer Shares that are both Value Securities and Surplus Securities held by Principals are subject to the QT Escrow Agreement. Accordingly, it is anticipated that an aggregate of 20,956,771 Resulting Issuer Shares will be subject to the release schedule applicable under the QT Escrow Agreement in accordance with the following timeline:

Release Dates	Percentage of Securities to be Released from Escrow
Date of Final Exchange Bulletin	10%
6 months following Final Exchange Bulletin	15%
12 months following Final Exchange Bulletin	15%
18 months following Final Exchange Bulletin	15%
24 months following Final Exchange Bulletin	15%
30 months following Final Exchange Bulletin	15%
36 months following Final Exchange Bulletin	15%
TOTAL	**100%**

The following table sets out, as of the date hereof and to the knowledge of Victory and Acapulco, the name and municipality of residence of the security holders whose Resulting Issuer Shares and Resulting Issuer Options at the Closing of the Qualifying Transaction will be placed in escrow pursuant to the terms of the QT Escrow Agreement:

		Prior to Giving Effect to the Qualifying Transaction		**After Giving Effect to the Qualifying Transaction**	
Name and Municipality of Residence of Securityholder	**Designation of Class**	**Number of Securities held in Escrow**	**Percentage of Class**	**Number of Securities to be held in Escrow**	**Percentage of Class**
Vikas Ranjan, *Toronto, Ontario*	Resulting Issuer Shares	Nil	Nil	2,000,000	3.33%(2)
Roger He, *Vancouver, British Columbia*	Resulting Issuer Shares	330,000(1)	6.48%	Nil(1)	Nil
Michael Williams, *Vancouver, British Columbia*	Resulting Issuer Shares	Nil	Nil	2,108,333(2)	3.51%(2)
John Larson, *Tuscon, Arizona*	Resulting Issuer Shares	Nil	Nil	439,661(4)	0.73%(2)

Notes:

(1) 330,000 Victory Shares of Roger He will continue in escrow pursuant to terms of the CPC Escrow Agreement.
(2) Assuming 60,080,059 Resulting Issuer Shares outstanding.
(3) Mr. Williams' Resulting Issuer Shares will be held directly and indirectly through Octavian Capital Corp.
(4) Mr. Larson's Resulting Issuer Shares will be held directly and indirectly through Larson Family Trust DTD 10/04/99.

Seed Share Resale Restrictions

Pursuant to Exchange Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*, certain non-principal shareholders of Acapulco Common Shares, upon conversion into Resulting Issuer Shares, will be subject to SSRRs. SSRRs are Exchange hold periods of various lengths which apply where seed shares are issued to non-principals by private companies in connection with the Qualifying Transaction. The terms of the SSRRs are based on the length of time such Acapulco Common Shares have been held and the price at which such shares were originally issued.

There are fourteen (14) non-principal holders of Acapulco Common Shares who will hold an aggregate of 24,112,207 Resulting Issuer Shares at the Completion of the Qualifying Transaction that will be subject to the escrow terms of the Value Security Escrow Agreement.

Such Resulting Issuer Shares will either be issued with a restrictive legend such that the securities held in escrow will be released from the applicable SSRR, or subject to a pooling agreement with the Resulting Issuer's transfer agent whereby the transfer agent will hold the certificates representing such Resulting Issuer Shares until the SSRRs have expired.

PART V – RISK FACTORS

Where used in this "*Risk Factors*" section, "Acapulco" refers to either Acapulco, Acapulco Subsidiary, or the Resulting Issuer as the context may require. The current business of Acapulco and its subsidiaries will be the business of the Resulting Issuer upon Completion of the Qualifying Transaction. Accordingly, risk factors relating to Acapulco's current business will be risk factors relating to the Resulting Issuer's business and references to Acapulco in these risk factors should, where the context requires, be read to include the risks of the Resulting Issuer. Due to the nature of Acapulco's business, the legal and economic climate in which it operates and its present stage of development, Acapulco is subject to significant risks. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Acapulco may face. Acapulco's future development and operating results may be very different from those expected as at the date of this Filing Statement. Additional risks and uncertainties not presently known to Acapulco or that Acapulco currently considers immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Resulting Issuer Shares to decline. If any of the following or other risks occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Resulting Issuer Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Readers should carefully consider all such risks and other information elsewhere in this Filing Statement before making an investment in the Resulting Issuer and should not rely upon forward-looking statements as a prediction of future results. Risk factors relating to Acapulco, Acapulco Subsidiary, or the Resulting Issuer include, but are not limited to, the factors set out below.

Risk Factors Related To The Qualifying Transaction

Failure to obtain all Regulatory Requirements for Completion of the Qualifying Transaction

Completion of the Qualifying Transaction is subject to, among other things, the acceptance of the TSXV and the receipt of all necessary regulatory approvals. There can be no certainty, nor can Victory or Acapulco provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of Victory or the trading price of Resulting Issuer Shares after Completion of the Qualifying Transaction.

Following Completion of the Qualifying Transaction, the Resulting Issuer may Issue Additional Equity Securities

Following Completion of the Qualifying Transaction, the Resulting Issuer may issue Resulting Issuer Shares to finance its business. If the Resulting Issuer were to issue additional Resulting Issuer Shares, existing holders of such Resulting Issuer Shares may experience dilution in the Resulting Issuer. Moreover, if the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

General Risks

Limited Operating History

Victory has no history of earnings or profitability and Acapulco has undertaken a limited amount of work on the Acapulco Property. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business particularly in the junior mineral exploration sector. The Resulting Issuer will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Negative Operating Cash Flow and Dependence on Third Party Financing

Victory does not have a source of operating cash flow and there can be no assurance that the Resulting Issuer will ever achieve profitability. Accordingly, it will be dependent on third party financing for the Resulting Issuer to continue exploration activities, maintain capacity and satisfy contractual obligations. The amount and timing of expenditures will depend on a number of factors, the progress of ongoing exploration, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the entering into of any strategic partnerships and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Resulting Issuer's properties or require it to sell, one or more of its properties.

Uncertainty of Additional Funding

As stated above, the Resulting Issuer will be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Resulting Issuer. Volatile resource markets, a claim against the Resulting Issuer, a significant event disrupting the Resulting Issuer's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders.

Competitive Conditions

The Resulting Issuer will actively compete for resource acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Resulting Issuer. The Resulting Issuer's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators.

Reliance Upon Management

The Resulting Issuer will be dependent upon the continued support and involvement of its principals and management. Should the Resulting Issuer lose the services of one or more of the principals or management, the ability of the Resulting Issuer to achieve its objectives could be adversely affected.

Conflicts of Interest

The Board of Directors may become directors of other reporting issuers or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Resulting Issuer may participate, the Board of Directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Resulting Issuer and the Board of Directors will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board of Directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Resulting Issuer will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the OBCA. The provisions of the OBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a Person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the OBCA, as the case may be.

Permits and Licences

The operations of the Resulting Issuer will require licences and permits from various governmental and nongovernmental authorities. The Resulting Issuer intends to obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licences and permits required to carry out exploration, development and extraction operations on its mining properties. See Part III: "*Information concerning the Property*".

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. Such changes may affect both the Resulting Issuer's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate 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.

Volatility of Share Price

In recent years, the securities markets in Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings.

Liquidity

The Resulting Issuer cannot predict at what prices the Resulting Issuer Shares will trade upon Completion of the Qualifying Transaction, and there can be no assurance that an active trading market in the Resulting Issuer Shares will develop or be sustained. There is a significant liquidity risk associated with an investment in the Resulting Issuer Shares.

Dividends

At the present time it is unlikely holders of the Resulting Issuer Shares will receive a dividend on the Resulting Issuer Shares due to the early operating stage of Acapulco.

COVID-19 Pandemic

The precise impacts of the global emergence of Coronavirus disease (COVID-19) on Acapulco, Acapulco Subsidiary, and the Resulting Issuer are currently unknown. The Resulting Issuer intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on the Acapulco Property. Rules in all jurisdictions are changing rapidly and the Resulting Issuer will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Resulting Issuer and its contractors to slow or cease. This may cause the Resulting Issuer to enact force majeure under one or more of its agreements. Such disruptions in work may cause the Resulting Issuer to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Resulting Issuer to raise additional funding in the future and could negatively impact, among other factors, the Resulting Issuer's share price.

Mexico Related Risks

Potential Political, Social and Economic Instability in Mexico

The principal mineral property interests of Acapulco are located exclusively in Mexico. Although the Resulting Issuer believes that the current conditions in Mexico are relatively stable and conducive to conducting business, the Resulting Issuer's current and future mineral exploration and mining activities could be impacted by adverse political or economic developments. Such adverse developments may include obstruction of surface access to the land, the imposition of unfavourable government regulations on foreign investment, production and extraction limitations, prices, exports, income taxes, expropriation of property, environmental compliance and worker safety.

Mexican Taxes Affecting Cost Estimates

The Resulting Issuer will be required to pay taxes and other Rights in Mexico on earnings generated from its Mexican operations and these taxes and Rights are subject to change in the future (in relation to the Rights, it is on a yearly basis). The operating costs at the Acapulco Property have assumed a current Mexican tax rate, which may be increased in the future. Accordingly, cost estimates may not represent an accurate statement of future tax costs nor Rights.

Mining Related Risks

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the Acapulco Property. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Resulting Issuer will be successful in its search for mineral resources and mineral reserves.

Title to Properties

The Acapulco Property and any future mineral property interests acquired by the Resulting Issuer may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third party claims such as First Nations claims, affecting the Resulting Issuer's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Resulting Issuer does not have title to any of its mining properties could cause the Resulting Issuer to lose any rights to explore, develop and extract any ore on that property, without compensation for its prior expenditures relating to such property.

Exploration Risks

Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Resulting Issuer's mineral exploration activities will result in in the discovery of mineral resources or mineral reserves. There is also no assurance that even if mineral resources and mineral reserves are discovered, that said mineral resources and mineral reserves will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which factors are beyond the control of the Resulting Issuer and may result in the Resulting Issuer not receiving adequate return on investment capital.

Environmental and other Regulatory Requirements

Environmental and other regulatory requirements will affect the future operations of the Resulting Issuer, including exploration and development activities and commencement of production on the Resulting Issuer's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Resulting Issuer believes it will be in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Resulting Issuer's mining properties and there can be no assurance that the Resulting Issuer will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of ore extraction facilities at the Resulting Issuer's mining properties on terms which enable operations to be conducted at economically justifiable costs. See Part III: "*Information concerning the Property*".

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

PART VI – GENERAL MATTERS

Auditor, Transfer Agent And Registrar

Upon Completion of the Qualifying Transaction, the auditor of the Resulting Issuer is expected to be Davidson & Company LLP located at 1200-609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6.

Upon Completion of the Qualifying Transaction, Computer Investor Services Inc. at its principal office located in the City of Vancouver, British Columbia is expected to be transfer agent and registrar for the Resulting Issuer Shares.

Sponsorship

Pursuant to TSXV Policy 2.2 - *Sponsorship and Sponsorship Requirements*, sponsorship is required in a Qualifying Transaction (the "**Sponsorship Policy**"). Victory intends, subject to the approval of the TSXV, to rely on a waiver of the sponsorship requirements provided in subsection 3.4(a) of the Sponsorship Policy on the basis that the Resulting Issuer is not a foreign issuer (as defined in the Sponsorship Policy) and management of the Resulting Issuer meets the standards contemplated in in subsection 3.4(a) of the Sponsorship Policy. In addition, the business of the Resulting Issuer will be mining company that satisfies the Tier 2 initial listing requirements as provided in TSXV Policy 2.1- *Initial Listing Requirements* and the Acapulco Property has a current Geological Report.

Experts

No experts, except auditors including individuals or companies who are named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement have, or will have immediately following Completion of the Qualifying Transaction, any direct or indirect interest in the Resulting Issuer or Acapulco.

For the purposes hereof, "expert" means any person or company whose profession or business gives authority to a statement made by that person or company and who is named as having prepared or certified a part of this Filing Statement, or prepared or certified a report or valuation described or included in this Filing Statement.

Other Material Facts

Victory is not aware of any other material facts relating to Victory, Acapulco or the Resulting Issuer or to the Qualifying Transaction that are not disclosed under the preceding items and are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Victory, Acapulco and the Resulting Issuer, assuming Completion of the Qualifying Transaction, other than those set forth herein.

Board Approval

The Board has approved this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than Victory, Victory has relied upon information furnished by such Person.

CERTIFICATE OF VICTORY CAPITAL CORP.

DATED March 31, 2022

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Victory Capital Corp. assuming Completion of the Qualifying Transaction.

/s/ "Roger He"
Chief Executive Officer and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF VICTORY CAPITAL CORP.

/s/ "Robert Geisthardt"	*/s/ "Greg Johnston"*
Director	Director

CERTIFICATE OF ACAPULCO GOLD CORP.

DATED March 31, 2022

The foregoing as it relates to Acapulco Gold Corp. constitutes full, true and plain disclosure of all material facts relating to the securities of Acapulco Gold Corp.

/s/ "Michael Williams"	*/s/ "Wayne Cahill"*
Chief Executive Officer and President	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF
ACAPULCO GOLD CORPORATION

/s/ "Victor Webb"	*/s/ "John Larson"*
Director	Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

"**Personal Information**" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement/information circular that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40, and 41of TSXV Form 3B1/3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: March 31, 2022.

/s/ "Roger He"

Director

SCHEDULE "A"

Audited financial statements of Victory for the years ended December 31, 2020, December 31, 2019, and the period ending September 30, 2021.

Financial Statements

Victory Capital Corp.

For the Years Ended December 31, 2020 and 2019

(Stated in Canadian Dollars)

INDEX

Independent Auditor's Report

To the Shareholders of Victory Capital Corp.:

Opinion

We have audited the financial statements of Victory Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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 on this other information, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Jian-Kun Xu.

Vancouver, British Columbia

MNP LLP

March 2, 2021

Chartered Professional Accountants

Victory Capital Corp.

Statements of Financial Position as at December 31, 2020 and 2019
Stated in Canadian Dollars

	2020	2019
Assets		
Current Assets		
Cash (note 3)	$ 426,284	$ 524,218
Loan receivables (note 11)	15,045	-
	$ 441,329	$ 524,218
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 33,631	$ 16,028
Shareholders' Equity		
Issued Capital (note 4)	767,579	767,579
Contributed Surplus (note 5 and 6)	80,877	80,877
Deficit	(440,758)	(340,266)
	407,698	508,190
	$ 441,329	$ 524,218

Nature of operations (note 1)
Proposed Qualifying Transaction and Subsequent Event (note 11)

The accompanying notes form an integral part of these financial statements.

Approved on Behalf of the Board

Signed "Roger (Zelong) He", Director   Signed "Justin Blanchet", Director

Victory Capital Corp.

Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2020 and 2019
Stated in Canadian Dollars

	2020	2019
Expenses		
Bank charges	134	-
Filing fees	14,038	14,083
Office and general	-	848
Professional fees	86,365	47,226
Share-based compensation (note 6)	-	5,007
	100,537	67,164
Other Expenses (Income)		
Interest income	(45)	-
Net loss and comprehensive loss for the year	$ (100,492)	$ (67,164)
Loss per Share - basic and diluted	$ (0.02)	$ (0.01)
Weighted Average Number of Common Shares Outstanding - basic and diluted	5,088,750	5,088,750

The accompanying notes form an integral part of these financial statements.

Victory Capital Corp.

Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019
Stated in Canadian Dollars

	Issued Capital				
	Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total Equity**
Balance – December 31, 2018	5,088,750	$ 726,610	$ 116,839	$ (273,102)	$ 570,347
Fair value of expired agent warrants	-	40,969	(40,969)	-	-
Issuance of stock options	-	-	5,007	-	5,007
Net loss for the year	-	-	-	(67,164)	(67,164)
Balance - December 31, 2019	5,088,750	$ 767,579	$ 80,877	$ (340,266)	$ 508,190
Net loss for the year	-	-	-	(100,492)	(100,492)
Balance - December 31, 2020	5,088,750	$ 767,579	$ 80,877	$ (440,758)	$ 407,698

The accompanying notes form an integral part of these financial statements.

Victory Capital Corp.

Statements of Cash Flow
For the Years Ended December 31, 2020 and 2019
Stated in Canadian Dollars

	2020	2019
Operating Activities		
Net loss for the year	$ (100,492)	$ (67,164)
Items not affecting cash:		
Share-based compensation	-	5,007
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	17,603	(17,824)
	(82,889)	(79,981)
Investing Activities		
Loan receivables	(15,045)	-
	(15,045)	-
Change in Cash	(97,934)	(79,981)
Cash - beginning of year	524,218	604,199
Cash - end of year	$ 426,284	$ 524,218

The accompanying notes form an integral part of these financial statements.

1. Nature of Operations

Victory Capital Corp. (the "Company") was incorporated on November 6, 2009 pursuant to the Business Corporation Act (Ontario) and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("the Exchange") Corporate Finance Manual. The Company was inactive from the date of incorporation until May 2016. The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or business with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Acapulco Gold Corporation ("Acapulco"). Pursuant to the LOI, the Company and Acapulco will negotiate and enter into a definitive agreement (the "Definitive Agreement"), pursuant to which it is anticipated that the Company will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the "Proposed Transaction").

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm's length reverse-takeover transaction of Acapulco by Victory, which will constitute the completion of Victory's Qualifying Transaction. (See Note 10)

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

Subsequent to 2019 year-end and currently, there is a global outbreak of COVID-19 (coronavirus), which has a significant impact on businesses through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may negatively impact the Company's business and financial condition.

The Company's principal place of business is 333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2.

2. Significant Accounting Policies

a) Statement of Compliance

The significant accounting policies applied in the Company's financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective as of December 31, 2020.

These financial statements were authorized for issuance by the Board of Directors of the Company on March 2, 2021.

b) Basis of Presentation

The financial statements of the Company are prepared on a going concern basis. The Company's functional and presentation currency is Canadian dollars.

c) Foreign Currency Translation

Monetary assets and liabilities of the Company denominated in a foreign currency are translated at the rate of exchange prevailing at the date of the statements of financial position and revenues and expenses are translated at the rate of exchange prevailing on the day of the transaction. Gains and losses on translation of these items are included in the statements of loss and comprehensive loss.

d) Cash

Cash includes bank deposits at a reputable financial institution in Canada.

e) Financial Instruments

IFRS 9 includes requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

Financial assets

The Company's financial assets consist of cash and loan receivable. Cash is measured at FVTPL and loan receivable is measured at amortized cost.

Amortized Cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

2. Significant Accounting Policies (continued)

Fair value through profit or loss

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

Classification

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs.

Impairment of Financial Assets

Financial assets not measured at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

<u>Financial Liabilities</u>

The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are measured at amortized cost.

Amortized Cost

Financial liabilities measured at amortized cost, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire.

2. Significant Accounting Policies (continued)

f) Deferred Taxes

Income tax expense comprises current and deferred tax. Income tax expense 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 is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

A deferred tax asset is recognized to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance and are measured at the fair value.

2. Significant Accounting Policies (continued)

i) Loss per Share

Per IAS 33 "Earnings per Share" applies to a company whose common shares or potential common shares are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing common shares in a public market. Loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. In order to calculate loss per share in these financial statements, the Company has calculated the weighted average number of shares outstanding for the years ended December 31, 2020 and 2019. During the years ended December 31, 2020 and 2019, the Company's outstanding stock options and agent's warrants were anti-dilutive.

j) Share-Based Payments

The Company offers a share option plan for its directors, officers, employees and selected consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest.

The Company may, from time to time, issue warrants to agents in connection with raising capital for the Company. The fair value of each warrant is measured using the Black-Scholes option pricing model. The resulting expense is recognized in equity as a reduction of the proceeds from the capital raise.

Any consideration paid on exercise of share options and warrants is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options and warrants are exercised.

Share-based payments granted to non-employees are measured at the fair value of goods received unless that cannot be reasonably estimated in which case the fair value of the equity instrument is used.

2. Significant Accounting Policies (continued)

k) New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after December 31, 2020, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 1, Presentation of Financial Statements (Amendments)

Amendments to IAS 1, Presentation of Financial Statements clarifies the presentation of liabilities in the statement of financial position. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023. The Company does not expect the adoption of this standard to have a significant impact on the Company's financial statements.

l) Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. These financial statements include estimates, that, by their nature, are uncertain. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The most significant judgments, estimates and assumptions include those related to the fair value of stock-based compensation and warrants, the recognition of deferred tax assets. Management has determined that judgments, estimates and assumptions reflected in these financial statements are reasonable.

3. Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

4. Issued Capital

The Company is authorized to issue an unlimited number of common shares. As of December 31, 2020 and 2019, there was 5,088,750 common shares outstanding.

During the year ended December 31, 2017, the Company issued 3,888,750 common shares for gross proceeds of $777,750 pursuant to its initial public offering (the "Offering"). In connection with the issuance of the common shares, the Company paid commissions and other expenses of $130,171 and issued 388,875 agent's warrants with a fair value of $40,969 (see note 5).

During the year ended December 31, 2016, the Company issued 1,200,000 common shares for gross proceeds of $120,000. Upon closing of the Offering, the 1,200,000 issued common shares of the Company outstanding as of December 31, 2016 became subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

5. Agent's Warrants

During the year ended December 31, 2017, and in connection with the Offering, the Company granted 388,875 agent's warrants pursuant to an Agency Agreement. Each agent warrant entitles the holder to acquire one common share of the Company at a price of $0.20 per share for a period of 24 months from the date of listing of the common shares on the Exchange. During the year ended December 31, 2019, 388,875 agent's warrants expired.

Stated in Canadian Dollars

6. Stock Options

During the year ended December 31, 2017, the Company granted 508,875 stock options under the Company's Stock Option Plan. During the year ended December 31, 2019, the Company granted 101,775 stock options under the Company's Stock Option Plan.

Each option entitles the holder to acquire one common share of the Company at a price of $0.20 per share. Each option expires on the later of (i) twelve months following the completion of a Qualifying Transaction; and (ii) 90 days following cessation of the Optionee's position with the Company, provided that if cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, provided that no options may expire later than five years from date such options are granted.

The fair value of the options was estimated at the grant date based on the Black-Scholes pricing model, using the following inputs and assumptions:

Expected forfeiture rate	Nil
Expected dividend yield	Nil
Risk-free interest rate	1.38%
Expected life	5 years
Expected volatility	100%
Share price	$0.20

During the year ended December 31, 2019, 203,550 stock options expired due to a resignation of two directors of the Company.

As of December 31, 2020 and 2019, there were 407,100 outstanding and exercisable at the exercise price of $0.20 with expiry date of December 13, 2022.

7. Financial Instruments and Other Risks

IFRS 7 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1	quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2	inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. from derived prices); and
Level 3	inputs for the asset or liability that are not based upon observable market data.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As at December 31, 2020, the Company’s cash was classified as Level 1 measurement. As at December 31, 2020, the Company had no financial instruments classified at Level 2 and Level 3.

Fair Values

Except as disclosed elsewhere in these financial statements, the carrying amounts for the Company’s financial instruments approximate their fair values because of the short-term nature of these items.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Market Risk

Market risk refers to the risk that a change in the level of one or more of market prices, interest rates, foreign exchange rates, indices, volatilities, correlations or other market factors, such as liquidity, will result in a change in the fair value of a financial instrument. The Company's financial instruments are designated as held for trading, fair value through profit or loss, available for sale, amortized cost or loans and receivables. Therefore, changes in fair value or permanent impairment, if any, affect reported earnings as they occur, except for amortized cost.

The Company separates market risk into two categories: interest rate risk and foreign exchange risk.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company does not hedge its exposure to interest rate risk as such risk is minimal. None of the Company's cash balances are subject to variable interest rates.

Foreign Exchange Risk

Foreign exchange risk arises from the possibility that changes in the price of foreign currencies will result in changes in carrying value. The Company does not hold any assets denominated in currencies other than the Canadian dollar and is not subject to foreign currency risk.

7. Financial Instruments and Other Risks (continued)

Credit Risk

As at December 31, 2020, the Company's maximum exposure to credit risk was the book value of cash and loan receivable. The Company limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high credit quality financial institution as determined by credit rating agencies.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The majority of current assets reflected on the statements of financial position are highly liquid. As at December 31, 2020, the Company had current assets of $441,329 (2019 - $524,218) to settle current liabilities of $33,631 (2019 - $16,028).

8. Capital Disclosures

As at December 31, 2020, the Company was not subject to any regulatory capital requirements. The Company's capital is composed of equity, including shareholder's equity and deficit.

The Company's objectives when managing capital include:

(a) ensuring that the Company meets relevant regulatory capital requirements when applicable,
(b) ensuring that the Company is able to meet its financial obligations as they become due; and
(c) ensuring that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change with respect to the overall capital risk management strategy for the year ended December 31, 2020.

Stated in Canadian Dollars

9. Deferred Taxes

a) Income Tax Expense

The reconciliation of the combined federal and provincial statutory income tax rate of 26.5% (2019 - 26.5%) is as follows:

	2020	2019
Loss before income taxes	$ (100,492)	$ (67,164)
Statutory rate	26.5%	26.5%
Expected income tax recovery at statutory rate	(26,630)	(17,798)
Share based compensation	-	1,327
Book to filing adjustments	-	5,740
Change in deferred tax benefits not recognized	26,630	10,731
Income tax (recovery) expense	$ -	$ -

b) Unrecognized Deductible Temporary Differences

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2020	2019
Share issuance costs	$ 30,100	$ 71,220
Non-capital losses carried forward – Canada	$ 438,300	$ 296,708

c) Non-Capital Losses

The non-capital losses expire as noted in the table below:

2036	$ 26,500
2037	69,500
2038	97,400
2039	103,300
2040	141,600
	$ 438,300

10. Related Party Transactions

During the year ended December 31, 2020, the Company incurred consulting fees of totaling $9,450 (2019 – $Nil) payable to Pan-Pacific Supreme Enterprises Ltd., a company related to one of the Company's directors. At December 31, 2020, this amount was outstanding and included in accounts payable and accrued liabilities.

11. Proposed Qualifying Transaction and Subsequent Event

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Acapulco Gold Corporation ("Acapulco"). Pursuant to the LOI, the Company and Acapulco will negotiate and enter into a definitive agreement on or before December 30, 2020 (the "Definitive Agreement"), pursuant to which it is anticipated that the Company will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the "Proposed Transaction").

Subsequent to the execution of the LOI and the approval of the TSXV, the Company will provide Acapulco with a bridge loan in the amount of up to $100,000 (the "Loan") for working capital purposes, of which $25,000 may be immediately advanced to Acapulco pursuant section 8.5(b) of Policy 2.4 of the policies of the TSXV.

On November 27, 2020, the Company issued a promissory note of $25,000 to Acapulco. The promissory note bears an interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of: (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) June 30, 2021. As of December 31, 2020, the Company had advanced $15,000 to Acapulco.

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm's length reverse-takeover transaction of Acapulco by Victory, which will constitute the completion of Victory's Qualifying Transaction.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,000,000 (the "Private Placement") through the issuance of subscription receipts of Acapulco (the "Subscription Receipts"); (ii) the approval by the directors of Victory and Acapulco of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange.

Condensed Interim Consolidated Financial Statements

Victory Capital Corp.

For the Three and Nine Months Ended September 30, 2021 and 2020

(Stated in Canadian Dollars)

Unaudited

INDEX

Victory Capital Corp.

Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2021 and December 31, 2020
Unaudited
Stated in Canadian Dollars

	September 30, 2021	December 31, 2020
Assets		
Current Assets		
Cash	$ 180,801	$ 426,284
Loan receivables (note 10)	101,782	15,045
	$ 282,583	$ 441,329
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 87,372	$ 33,631
Shareholders' Equity		
Issued Capital (note 5)	767,579	767,579
Contributed Surplus (note 5 and 6)	80,877	80,877
Deficit	(653,245)	(440,758)
	195,211	407,698
	$ 282,583	$ 441,329

Nature of Operations (note 1)
Proposed Qualifying Transaction and Subsequent Event (note 10)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Approved on Behalf of the Board

Signed "Roger (Zelong) He", Director

Signed "Raj Dewan", Director

Victory Capital Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended September 30, 2021 and 2020
Unaudited
Stated in Canadian Dollars

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Expenses				
Bank charges	$ 151	$ -	$ 420	$ 126
Filing fees	2,611	3,300	24,392	13,797
Professional fees	28,106	36,890	189,412	53,533
	30,868	40,190	214,224	67,456
Other Expense (Income)				
Interest income	(1,011)	-	(1,737)	-
Net Loss and Comprehensive Loss for the Period	$ (29,857)	$ (40,190)	$ (212,487)	$ (67,456)
Loss per Share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.01)
Weighted Average Number of Common Shares Outstanding – basic and diluted	5,088,750	5,088,750	5,088,750	5,088,750

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Victory Capital Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the Three and Nine Months Ended September 30, 2021 and 2020
Unaudited
Stated in Canadian Dollars

	Issued Capital								
	Shares		**Amount**		**Contributed Surplus**		**Deficit**		**Total Equity**
Balance - January 1, 2020	5,088,750	$	767,579	$	80,877	$	(340,266)	$	508,190
Net loss for the period	-		-		-		(67,456)		(67,456)
Balance - September 30, 2020	5,088,750	$	767,579	$	80,877	$	(407,722)	$	440,734
Balance – January 1, 2021	5,088,750	$	767,579	$	80,877	$	(440,758)	$	407,698
Net loss for the period	-		-		-		(212,487)		(212,487)
Balance - September 30, 2021	5,088,750	$	767,579	$	80,877	$	(653,245)	$	195,211

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Victory Capital Corp.

Condensed Interim Consolidated Statements of Cash Flow
For the Three and Nine Months Ended September 30, 2021 and 2020
Unaudited
Stated in Canadian Dollars

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Operating Activities		
Net loss for the period	$ (212,487)	$ (67,456)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	53,741	20,549
Non-cash interest income	(1,737)	-
	(160,483)	(46,907)
Investing Activities		
Loan receivables	(85,000)	-
	(85,000)	-
Change in Cash	(245,483)	(46,907)
Cash - beginning of period	426,284	524,218
Cash - end of period	$ 180,801	$ 477,311

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

1. Nature of Operations

Victory Capital Corp. (the "Company") was incorporated on November 6, 2009, pursuant to the Business Corporation Act (Ontario) and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("the Exchange") Corporate Finance Manual. The Company was inactive from the date of incorporation until May 2016. The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

On November 24, 2020, the Company entered a letter of intent (the “LOI”) with Acapulco Gold Corporation (“Acapulco”). Pursuant to the LOI, the Company and Acapulco will negotiate and enter into a definitive agreement (the “Definitive Agreement”), pursuant to which it is anticipated that the Company will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the “Proposed Transaction”).

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm’s length reverse-takeover transaction of Acapulco by Victory, which will constitute the completion of Victory’s Qualifying Transaction. (See Note 10)

There is no assurance that the Company will complete a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

Subsequent to 2019 year-end and currently, there is a global outbreak of COVID-19 (coronavirus), which has a significant impact on businesses through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations, and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or maybe put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may negatively impact the Company’s business and financial condition.

The Company’s principal place of business is 333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2.

2. Significant Accounting Policies

Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited financial statements for the year ended December 31, 2020, and were approved by the Company's Board of Directors on November 26, 2021.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, 1287878 B.C. Ltd. All intercompany transactions and balances have been eliminated upon consolidation.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. These condensed consolidated interim financial statements include estimates, that, by their nature, are uncertain. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments, estimates and assumptions include those related to the fair value of stock-based compensation and warrants and the recognition of deferred tax assets.

4. Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange Policy 2.4.

5. Issued Capital

Capital Stock

The Company is authorized to issue an unlimited number of common shares. As of September 30, 2021, and December 31, 2020, there were 5,088,750 common shares outstanding. There were no share capital transactions during the three and nine months ended September 30, 2021 and 2020.

6. Stock Options

As of September 30, 2021 and December 31, 2020, there were 407,100 outstanding and exercisable stock options on the balance, exercisable at the exercise price of $0.20 with an expiry date being December 13, 2022.

7. Financial Instruments and Other Risks

IFRS 7 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1	quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	inputs other than quoted prices included in Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., from derived prices); and
Level 3	inputs for the asset or liability that are not based upon observable market data.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of September 30, 2021, the Company's cash was classified as Level 1 measurement. As of September 30, 2021, the Company had no financial instruments classified at Level 2 and Level 3.

Fair Values

Except as disclosed elsewhere in these financial statements, the carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Market Risk

Market risk refers to the risk that a change in the level of one or more of market prices, interest rates, foreign exchange rates, indices, volatilities, correlations, or other market factors, such as liquidity, will result in a change in the fair value of a financial instrument. The Company's financial instruments are designated as held for trading, fair value through profit or loss, available for sale, amortized cost or loans and receivables. Therefore, changes in fair value or permanent impairment, if any, affect reported earnings as they occur, except for amortized cost.

The Company separates market risk into two categories: interest rate risk and foreign exchange risk.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company does not hedge its exposure to interest rate risk as such risk is minimal. None of the Company's cash balances are subject to variable interest rates.

Foreign Exchange Risk

Foreign exchange risk arises from the possibility that changes in the price of foreign currencies will result in changes in carrying value. The Company does not hold any assets denominated in currencies other than the Canadian dollar and is not subject to foreign currency risk.

7. Financial Instruments and Other Risks (continued)

Credit Risk

As of September 30, 2021, the Company's maximum exposure to credit risk was the book value of cash and loan receivables. The Company limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high credit quality financial institutions as determined by credit rating agencies. Credit risk arising on loan receivables is not significant given the counterparty is the entity that Victory is going to acquire through a reverse-takeover transaction.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The majority of current assets reflected on the statements of financial position are highly liquid. As of September 30, 2021, the Company had current assets of $282,583 (December 31, 2020 - $441,329) to settle current liabilities of $87,372 (December 31, 2020 - $33,631).

8. Capital Disclosures

As of September 30, 2021, the Company was not subject to any regulatory capital requirements. The Company's capital is composed of equity, including shareholder's equity and deficit.

The Company's objectives when managing capital include:

(a) ensuring that the Company meets relevant regulatory capital requirements when applicable,
(b) ensuring that the Company is able to meet its financial obligations as they become due; and
(c) ensuring that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change with respect to the overall capital risk management strategy for the nine months ended September 30, 2021.

9. Related Party Transactions

During the three and nine months ended September 30, 2021, the Company incurred consulting fees totaling $9,450 and $28,350, respectively (2020 - $Nil and $Nil) payable to Pan-Pacific Supreme Enterprises Ltd., a company related to one of the Company's directors. As of September 30, 2021 and December 31, 2020, $37,800 and $9,450 were outstanding and included in accounts payable and accrued liabilities, respectively.

10. Proposed Qualifying Transaction and Subsequent Events

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Acapulco Gold Corporation ("Acapulco"). Pursuant to the LOI, the Company will provide Acapulco with a bridge loan in the amount of up to $100,000 (the "Loan") for working capital purposes, of which $25,000 may be immediately advanced to Acapulco pursuant section 8.5(b) of Policy 2.4 of the policies of the TSXV.

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of the Company, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm's length reverse-takeover transaction of Acapulco by the Company (the "Proposed Transaction"), which will constitute the completion of the Company's Qualifying Transaction. The Proposed Transaction will result in the Company acquiring all of the issued and outstanding securities of Acapulco in exchange for the issuance of securities of the Company, which will result in Acapulco becoming a wholly-owned subsidiary of the Company.

On November 27, 2020, as part of the Loan, the Company issued a promissory note of $25,000 to Acapulco. The promissory note bears interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) June 30, 2021. As of December 31, 2020, the Company advanced $15,000 to Acapulco, and made additional advance of $10,000 during January 2021. On August 16, 2021, the note payback date was amended to the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) November 30, 2021.

In August 2021, the Company made two more advances of total $75,000 to Acapulco as part of the Loan. These loans bear interest of 6% per annum, and shall be repaid the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) November 30, 2021.

For the three and nine months ended September 30, 2021, the Company recorded interest income of $1,011 and $1,737 (2020 – $Nil and $Nil) in connection with these loans. As of September 30, 2021 and December 31, 2020, the Company had loan receivable balance of $101,782 and $15,045, respectively.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion a concurrent financing for gross proceeds from a minimum of $2,500,000 and up to a maximum of $3,500,000 (the "Private Placement") through the issuance of subscription receipts of Acapulco (the "Subscription Receipts"); (ii) the approval by the directors of Victory and Acapulco of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange.

In October and November, 2021, Acapulco closed a private placement of subscription receipts (the "Acapulco Subscription Receipts") for aggregate gross proceeds of approximately $4.043 million through the issuance of 20,215,000 Acapulco Subscription Receipts at a price of $0.20 per Acapulco Subscription Receipt (the "Acapulco Private Placement"). The Acapulco Private Placement took place concurrently with the private placement of subscription receipts by the Company (the "Victory Subscription Receipts") for aggregate gross proceeds of approximately $289,000 through the issuance of 1,445,000 Victory Subscription Receipts at a price of $0.20 per Victory Subscription Receipt (the "Victory Private Placement").

10. Proposed Qualifying Transaction and Subsequent Events (Continued)

In connection with the Acapulco Private Placement, Acapulco paid aggregate fees of $323,440 and issued finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Acapulco Private Placement to certain qualified finders.

In connection with the Victory Private Placement, Victory paid aggregate fees of $23,120 and issued finders' warrants to purchase 115,600 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Victory Private Placement to certain qualified finders.

The fair value of the total 1,732,800 finders' warrants is estimated on the grant date using the Black-Scholes option model valued at $181,115, with the following weighted average variables: risk-free interest rate of 0.44%, expected life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%.

Upon the closing of the Proposed Transaction, the Acapulco Subscription Receipts will be automatically exchanged for one common share of Acapulco (a "Acapulco Common Share"), and subsequently each Acapulco Common Share will be automatically exchanged for one common share in the capital of the Resulting Issuer (a "Resulting Issuer Share"). Upon the closing of the Proposed Transaction, each Victory Subscription Receipt will be automatically exchanged for one Resulting Issue Share.

SCHEDULE "B"

Victory MD&A as for the year ended December 31, 2020 and the period ending September 30, 2021.

VICTORY CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at December 31, 2020
and for the years ended December 31, 2020 and 2019
(All figures expressed in Canadian dollars)

Victory Capital Corp.
Management's Discussion and Analysis

GENERAL

The following management discussion and analysis ("MD&A") of the financial condition of Victory Capital Corp. (the "Company" or "Victory") provides an overview of significant events that have affected the Company's business development for the years ended December 31, 2020 and 2019. It should be read in conjunction with the audited financial statements of the Company together with the related notes thereto for the years ended December 31, 2020 and 2019.

The audited financial statements for the years ended December 31, 2020 and 2019 (the "Financial Statements") referred to in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The following MD&A and the Company's audited financial statements were approved by the Audit Committee and the Board of Directors on March 2, 2021.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. Additional information relating to the Company is available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information and statements. These forward-looking statements are based on current expectations and estimates, factors and assumptions as at the date of this MD&A. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. There are a number of risks and uncertainties that could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, but not limited to, change in general economic and political conditions, regulation and competitor change, industry related risks, regulatory approvals, continued availability of capital and financing, uncertainty in the future financial conditions and the impact of currency exchange rates and interest rates.

Given these risks and uncertainties, potential investors and readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

ABOUT VICTORY CAPITAL CORP. AND CURRENT NATURE OF OPERATIONS

Victory was incorporated on November 6, 2009 pursuant to the Business Corporation Act (Ontario) and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("the Exchange") Corporate Finance Manual. The principal business of Victory will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction is defined as a transaction where a CPC acquires significant assets, other cash, by way of purchase, merger amalgamation, or another such arrangement with another company or by other means. Victory is currently in the process of identifying potential acquisitions but has not yet entered into a Qualifying Transaction.

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's Length Qualifying Transaction will also be subject to "Majority of the Minority Approval" as defined pursuant to the CPC Policy. The Company has not conducted commercial operations other than to begin the process of identifying potential acquisitions with a view to completing a Qualifying Transaction.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Restrictions on Use of Proceeds" and "Private Placements for Cash", the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Company may use cash, secured or unsecured debt, issuance of treasury shares, public financing of debt or equity, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.

The board of directors of the Company must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors must act honestly and in good faith with a view to the best interests of the Company and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The acquisition of, or participation in, companies, assets or businesses may arise in numerous ways. The Company has not established pre-determined criteria for such participations or acquisitions other than sound business fundamentals. Such fundamentals include, but are not limited to: (i) the ratio of risk to reward; (ii) the potential for growth; (iii) the length of the payout period; and (iv) the rate of return.

On November 24, 2020, the Company entered into a letter of intent (the “LOI”) with Acapulco Gold Corporation (“Acapulco”). Pursuant to the LOI, the Company and Acapulco will negotiate and enter into a definitive agreement (the “Definitive Agreement”), pursuant to which it is anticipated that the Company will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the “Proposed Transaction”).

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm’s length reverse-takeover transaction of Acapulco by Victory, which will constitute the completion of Victory’s Qualifying Transaction.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The Company has not commenced commercial operations and has no assets other than cash and loan receivable.

INITIAL PUBLIC OFFERING

During the year ended December 31, 2017, the Company completed its initial public offering by issuing 3,888,750 common shares at a price of $0.20 per share for gross proceeds of $777,750. In connection with the initial public offering, the Company paid a commission of $77,775 and issued agents warrants to acquire 388,875 common shares of the Company at a price of $0.20 per share for a period of 24 months from the date of listing of the Company's common shares on the TSX Venture Exchange (see note 4 of the Financial Statements).

SELECTED ANNUAL INFORMATION

The following selected financial data for the Company's most recently completed financial periods are derived from the audited financial statements of the Company, unless otherwise noted.

	As at and for the Year Ended December 31, 2020 ($)	As at and for the Year Ended December 31, 2019 ($)	As at and for the Year Ended December 31, 2018 ($)
Net loss for the year	(100,492)	(67,164)	(56,314)
Comprehensive loss for the year	(100,492)	(67,164)	(56,314)
Non-current assets	Nil	Nil	Nil
Current Assets	441,329	524,218	604,199
Non-current liabilities	Nil	Nil	Nil
Current Liabilities	33,631	16,028	33,852
Working Capital	407,698	508,190	570,347
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	767,579	767,579	726,610
Shareholders' Equity	407,698	508,190	570,347

SELECTED QUARTERLY INFORMATION

The following table shows selected financial information related to the results of the Company´s most recent periods. The information contained in this table should be read in conjunction with the Company´s Financial Statements.

Fiscal Year	**2020**				**2019**			
For the quarters ended	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**
	$							
Net Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss for the period	(33,036)	(40,190)	(5,016)	(22,250)	(22,956)	(7,677)	(26,313)	(10,218)
Comprehensive loss for the period	(33,036)	(40,190)	(5,016)	(22,250)	(22,956)	(7,677)	(26,313)	(10,218)
Loss per share, basic and diluted	(0.01)	(0.01)	Nil	Nil	(0.01)	Nil	Nil	Nil

RESULTS OF OPERATIONS

For the year ended December 31, 2020, the Company realized a net loss of $100,492, an increase of $33,328 when compared to a net loss of $67,164 realized during the year ended December 31, 2019. During the years ended December 31, 2020 and 2019, the Company focused its efforts on the preparation of its preliminary prospectuses and completing its initial public offering.

In 2019, the Company entered into a letter of intent with 1788938 Ontario Ltd., operating as EquineX North America ("EquineX NA"), to complete a proposed arm's length transaction pursuant to which Victory would acquire all of the issued and outstanding common shares in the capital of EquineX NA by way of an arrangement, amalgamation, share exchange or similar transaction and continue the business of EquineX NA. The proposed transaction was expected to constitute Victory's qualifying transaction under the policies of the TSX Venture Exchange. The letter of intent between Victory and EquineX NA to complete a qualifying transaction has been terminated subsequently and the transaction contemplated therein will not proceed.

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Acapulco Gold Corporation ("Acapulco"). Pursuant to the LOI, the Company and Acapulco will negotiate and enter into a definitive agreement on or before December 30, 2020 (the "Definitive Agreement"), pursuant to which it is anticipated that the Company will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the "Acapulco Transaction").

Subsequent to the execution of the LOI and the approval of the TSXV, the Company will provide Acapulco with a bridge loan in the amount of up to $100,000 (the "Loan") for working capital purposes, of which $25,000 may be immediately advanced to Acapulco pursuant section 8.5(b) of Policy 2.4 of the policies of the TSXV. The loan bears an interest of 6% per annum. As of December 31, 2020, the Company had advanced $15,000 to Acapulco.

In conjunction with the Acapulco Transaction, Acapulco intends to complete a concurrent private placement (the "Private Placement") for aggregate gross proceeds of a minimum of $2,000,000 up to a maximum of $3,000,000, through the offering of securities of Acapulco to be sold at an issue price to be determined in the context of the market. Acapulco intends to use the net proceeds from the Private Placement for expenditures for the further advancement of its mining properties and general corporate purposes.

The completion of the Acapulco Transaction will be subject to a number of conditions precedent, including but not limited to satisfactory due diligence review, negotiation and execution of the Definitive Agreement and accompanying transaction documents, approval by the boards of directors of each of Victory and Acapulco, approval of the shareholders of Acapulco (if applicable), obtaining necessary third party approvals, TSXV acceptance and closing of the Private Placement for gross proceeds of not less than $2,000,000. There can be no assurance that the Acapulco Transaction or the Private Placement will be completed as proposed, or at all.

COVID-19

Subsequent to 2019 year-end and currently, there is a global outbreak of COVID-19 (coronavirus), which has a significant impact on businesses through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate that this outbreak may negatively impact the Company's business and financial condition.

Filing Fees
During the years ended December 31, 2020 and 2019, the Company incurred filing fees of $14,038 and $14,083, respectively.

Professional Fees
During the years ended December 31, 2020 and 2019, the Company incurred professional fees of $86,365 and $47,226, respectively, related to legal and accounting fees. This substantial increased amount consists of $3,208 accounting fee, $14,481 legal fees and $21,450 consulting fees. Increased legal fees were due to communication/ reports to TSXV, including services of drafting and reviewing related formal documentations on proposed transactions. No contingent lawsuit was involved. Increased consulting fees were due to the investing consultations and all related deals research. In total, an increase in professional fees of $39,139 was realized.

Share-Based Compensation
During the year ended December 31, 2017, the Company granted 508,875 stock options. During the year ended December 31, 2019, the Company granted 101,775 stock options. Each option entitles the holder to acquire one common share of the Company at a price of $0.20 per share. The fair value of the options of $5,007 was recorded as share-based compensation expense during the year ended December 31, 2019. The Company did not grant stock options nor incurred any such charges during the year ended December 31, 2018. During the year ended December 31, 2019, 203,550 stock options expired due to a resignation of two directors of the Company. At the end of the year, there were 407,100 outstanding and exercisable stock options on the balance, exercisable at the exercise price of $0.20 with expiry date being December 13, 2022.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION
As at December 31, 2020, the Company had a total of $426,284 cash available within its operating bank account to pay current liabilities of $33,631. Current liabilities consist of accounts payable and accrued liabilities for accounting, legal and other fees incurred. The Company anticipates generating negative cash flows from operating activities on a quarterly basis until a Qualifying Acquisition has been completed and the Company generates revenue.

As at December 31, 2020, the net assets of the Company were $407,698 (December 31, 2019-$508,190).

The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. The CPC Policy provides that until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a Maximum of the lesser of (i) 30% of the gross proceeds realized by the Company in respect of the sale of its securities, and (ii) $210,000, may be used for purposes other than evaluating businesses or assets.

If the Company requires additional funding for ongoing expenses or costs in connection with a potential Qualifying Acquisition, the Company may seek funding by way of unsecured loans from its Sponsor, which loans would, unless approved otherwise by the TSX, bear interest at no more than prime rate plus 1%. Otherwise, and subject to any relief granted by the TSX, the Company may seek to raise additional funds through a rights offering of shares available to its shareholders, in accordance with the requirements of applicable securities legislation, and subject to placing the required funds raised in the escrow account in accordance with applicable TSX rules. Other than the foregoing, the Company will not be able to obtain any form of debt or equity financing other than in accordance with applicable securities laws and only with the consent of the TSX. There is no assurance that the Company's plans to raise capital or to consummate a Qualifying Acquisition will be successful.

The Company has not entered into any off-balance sheet financing arrangements and has not guaranteed any debt or commitments of other entities or entered into any options on non-financial assets. Further, the Company has no contractual or purchase type of obligations other than those reported in the Company's statement of financial position as of December 31, 2020.

RELATED PARTIES

During the year ended December 31, 2020, the Company incurred consulting fees of totaling $9,450 (2019 – $Nil) payable to Pan-Pacific Supreme Enterprises Ltd., a company related to one of the Company's directors. At December 31, 2020, this amount was outstanding and included in accounts payable and accrued liabilities.

OUTSTANDING SHARES, WARRANTS AND STOCK OPTIONS

The following table sets forth information regarding the issued and outstanding securities of the Company as at December 31, 2020:

	TOTAL
Common Shares	5,088,750
Warrants	Nil
Stock Options	407,100
Total	5,495,850

388,875 agent's warrants expired during the year ended December 31, 2019, and at the end of the year, there were no outstanding warrants on the balance.

During the year ended December 31, 2019, 203,550 stock options expired due to a resignation of two directors of the Company. At the end of the year, there were 407,100 outstanding stock options on the balance. Each of the outstanding stock options allows the holder to acquire one common share of the Company at a price of $0.20 per share. Each option shall expire on the later of (i) twelve months following the completion of a Qualifying Transaction; and (ii) 90 days following cessation of the Optionee's position with the Company, provided that if cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, provided that no options may expire later than five years from date such options are granted, that date being December 13, 2022.

BASIS OF PRESENTATION, CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Company's financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net income or loss, and the related disclosure of contingent assets and liabilities, if any. The Company evaluates its estimates on an ongoing basis. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A summary of the significant judgments and estimates made by management and a summary of the Company's significant accounting policies used in the preparation of its financial information is provided within the Company's Financial Statements.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

MANAGING RISK

Except as otherwise disclosed in this MD&A and in the Company's Financial Statements for the years ended December 31, 2020 and 2019, there have been no significant changes to the nature and scope of the risks faced by the Company as further described in the final prospectus of the Company dated May 24, 2017, and the amended and restated prospectus dated August 24, 2017, which are available on SEDAR at *www.sedar.com*. Interested parties when evaluating the Company's performance and its outlook should consider these business risks.

PROSPECTUS

On May 24, 2017, the Company filed a prospectus for an initial public offering with the Ontario Securities Commission. Pursuant to an Agency Agreement dated May 24, 2017, the Company has appointed Gravitas Securities Inc. (the "Agent") as lead agent of the initial public offering with gross proceeds of a minimum of $400,000 to a maximum of $2,200,000 consisting of a minimum of 2,000,000 Common Shares to a maximum of 11,000,000 common shares at a price of $0.20 per common share by way of an Initial Public Offering ("the Offering") pursuant to the policies of the TSX Venture Exchange governing CPCs. The Company will pay the Agent a commission of 10% of the gross proceeds of the Offering, payable immediately upon closing by certified cheque by the Company. During the year ended December 31, 2016, the Company paid the Agent a Corporate Finance Fee of $25,000 which was due and payable upon execution of a letter agreement between the parties. In addition, the Company will grant to the Agent options to purchase the number of common shares as is equal to 10% of all common shares issued in the agency agreement. The Agent's option will be exercisable at any time up until 24 months after the listing of the shares of the Company on the TSX Venture Exchange at the issue price. On August 24, 2017, this Prospectus was replaced by an Amended and Restated Prospectus with the same terms.

Dated: March 2, 2021, Toronto, Ontario

VICTORY CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at September 30, 2021
and for the three and nine months ended September 30, 2021 and 2020
(All figures expressed in Canadian dollars)

Victory Capital Corp.
Management's Discussion and Analysis

GENERAL

The following management discussion and analysis ("MD&A") of the financial condition of Victory Capital Corp. (the "Company" or "Victory") provides an overview of significant events that have affected the Company's business development for the three and nine months ended September 30, 2021, and 2020. It should be read in conjunction with the unaudited interim financial statements of the Company together with the related notes thereto for the three and nine months ended September 30, 2021, and 2020.

The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021, and 2020 referred to in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The following MD&A and the Company's unaudited interim financial statements were approved by the Audit Committee and the Board of Directors on November 26, 2021.

All dollar figures stated herein are expressed in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information and statements. These forward-looking statements are based on current expectations and estimates, factors, and assumptions as at the date of this MD&A. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. There are a number of risks and uncertainties that could cause the Company's actual results, performance, or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, but not limited to, change in general economic and political conditions, regulation and competitor change, industry-related risks, regulatory approvals, continued availability of capital and financing, uncertainty in the future financial conditions and the impact of currency exchange rates and interest rates.

Given these risks and uncertainties, potential investors and readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on such forward- looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

ABOUT VICTORY CAPITAL CORP. AND CURRENT NATURE OF OPERATIONS

Victory was incorporated on November 6, 2009, pursuant to the Business Corporation Act (Ontario) and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("the Exchange") Corporate Finance Manual. The principal business of Victory will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction is defined as a transaction where a CPC acquires significant assets, other cash, by way of purchase, merger amalgamation, or another such arrangement with another company or by other means.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Restrictions on Use of Proceeds" and "Private Placements for Cash", the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Company may use cash, secured or unsecured debt, issuance of treasury shares, public financing of debt or equity, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of the Company, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco Gold Corporation ("Acapulco"), in respect of the completion of an arm's length reverse-takeover transaction of Acapulco by the Company (the "Proposed Transaction"), which will constitute the completion of the Company's Qualifying Transaction. The Proposed Transaction will result in the Company acquiring all of the issued and outstanding securities of Acapulco in exchange for the issuance of securities of the Company, which will result in Acapulco becoming a wholly-owned subsidiary of the Company.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion a concurrent financing for gross proceeds from a minimum of $2,500,000 and up to a maximum of $3,500,000 (the "Private Placement") through the issuance of subscription receipts of Acapulco (the "Subscription Receipts"); (ii) the approval by the directors of Victory and Acapulco of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange.

In October and November, 2021, Acapulco closed a private placement of subscription receipts (the "Acapulco Subscription Receipts") for aggregate gross proceeds of approximately $4.043 million through the issuance of 20,215,000 Acapulco Subscription Receipts at a price of $0.20 per Acapulco Subscription Receipt (the "Acapulco Private Placement"). The Acapulco Private Placement took place concurrently with the private placement of subscription receipts by the Company (the "Victory Subscription Receipts") for aggregate gross proceeds of approximately $289,000 through the issuance of 1,445,000 Victory Subscription Receipts at a price of $0.20 per Victory Subscription Receipt (the "Victory Private Placement").

Upon the closing of the Proposed Transaction, the Acapulco Subscription Receipts will be automatically exchanged for one common share of Acapulco (a "Acapulco Common Share"), and subsequently each Acapulco Common Share will be automatically exchanged for one common share in the capital of the Resulting Issuer (a "Resulting Issuer Share"). Upon the closing of the Proposed Transaction, each Victory Subscription Receipt will be automatically exchanged for one Resulting Issue Share.

INITIAL PUBLIC OFFERING

During the year ended December 31, 2017, the Company completed its initial public offering by issuing 3,888,750 common shares at a price of $0.20 per share for gross proceeds of $777,750. In connection with the initial public offering, the Company paid a commission of $77,775 and issued agents warrants to acquire 388,875 common shares of the Company at a price of $0.20 per share for a period of 24 months from the date of listing of the Company's common shares on the TSX Venture Exchange.

SELECTED ANNUAL INFORMATION

The following selected financial data for the Company's most recently completed financial periods are derived from the audited financial statements of the Company, unless otherwise noted.

	As at and for the Year Ended December 31, 2020 ($)	As at and for the Year Ended December 31, 2019 ($)	As at and for the Year Ended December 31, 2018 ($)
Net loss for the year	(100,492)	(67,164)	(56,314)
Comprehensive loss for the year	(100,492)	(67,164)	(56,314)
Non-current assets	Nil	Nil	Nil
Current Assets	441,329	524,218	604,199
Non-current liabilities	Nil	Nil	Nil
Current Liabilities	33,631	16,028	33,852
Working Capital	407,698	508,190	570,347
Deferred Income Taxes	Nil	Nil	Nil
Share Capital	767,579	767,579	726,610
Shareholders' Equity	407,698	508,190	570,347

SELECTED QUARTERLY INFORMATION

The following table shows selected financial information related to the results of the Company´s most recent periods. The information contained in this table should be read in conjunction with the Company´s financial statements.

Fiscal Year	**2021**			**2020**				**2019**	
For the quarters ended	**Sep**	**June**	**Mar**	**Dec**	**Sep**	**Jun**	**Mar**	**Dec**	**Sep**
Net Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss for the period	(29,857)	(43,299)	(139,331)	(33,036)	(40,190)	(5,016)	(22,250)	(22,956)	(7,677)
Comprehensive loss for the period	(29,857)	(43,299)	(139,331)	(33,036)	(40,190)	(5,016)	(22,250)	(22,956)	(7,677)
Loss per share, basic and diluted	Nil	(0.01)	(0.03)	(0.01)	(0.01)	Nil	Nil	(0.01)	Nil

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021, the Company realized a net loss of $29,857 and $212,487, respectively (2020 - $40,190 and $67,456). During the nine months ended September 30, 2021, and for the year ended December 31, 2020, the Company focused its efforts to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction.

In 2019, the Company entered into a letter of intent with 1788938 Ontario Ltd., operating as EquineX North America ("EquineX NA"), to complete a proposed arm's length transaction pursuant to which Victory would acquire all of the issued and outstanding common shares in the capital of EquineX NA by way of an arrangement, amalgamation, share exchange or similar transaction and continue the business of EquineX NA. The proposed transaction was expected to constitute Victory's qualifying transaction under the policies of the TSX Venture Exchange. The letter of intent between Victory and EquineX NA to complete a qualifying transaction has been terminated subsequently and the transaction contemplated therein will not proceed.

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Acapulco Gold Corporation ("Acapulco"). Pursuant to the LOI, the Company will provide Acapulco with a bridge loan in the amount of up to $100,000 (the "Loan") for working capital purposes, of which $25,000 may be immediately advanced to Acapulco pursuant section 8.5(b) of Policy 2.4 of the policies of the TSXV.

On February 5, 2021, the Company and 1287878 B.C. Ltd., a wholly-owned subsidiary of the Company, which was incorporated on February 5, 2021, entered into a binding merger agreement with Acapulco, in respect of the completion of an arm's length reverse-takeover transaction of Acapulco by the Company (the "Proposed Transaction"), which will constitute the completion of the Company's Qualifying Transaction. The Proposed Transaction will result in the Company acquiring all of the issued and outstanding securities of Acapulco in exchange for the issuance of securities of the Company, which will result in Acapulco becoming a wholly-owned subsidiary of the Company.

On November 27, 2020, as part of the Loan, the Company issued a promissory note of $25,000 to Acapulco. The promissory note bears interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) June 30, 2021. As of December 31, 2020, the Company advanced $15,000 to Acapulco, and made additional advance of $10,000 during January 2021. On August 16, 2021, the note payback date was amended to the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) November 30, 2021.

In August 2021, the Company made two more advances of total $75,000 to Acapulco as part of the Loan. These loans bear interest of 6% per annum, and shall be repaid the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) November 30, 2021.

For the three and nine months ended September 30, 2021, the Company recorded interest income of $1,011 and $1,737 (2020 – $Nil and $Nil) in connection with these loans. As of September 30, 2021 and December 31, 2020, the Company had loan receivable balance of $101,782 and $15,045, respectively.

In October and November, 2021, Acapulco closed a private placement of subscription receipts (the "Acapulco Subscription Receipts") for aggregate gross proceeds of approximately $4.043 million through the issuance of 20,215,000 Acapulco Subscription Receipts at a price of $0.20 per Acapulco Subscription Receipt (the "Acapulco Private Placement"). The Acapulco Private Placement took place concurrently with the private placement of subscription receipts by the Company (the "Victory Subscription Receipts") for aggregate gross proceeds of approximately $289,000 through the issuance of 1,445,000 Victory Subscription Receipts at a price of $0.20 per Victory Subscription Receipt (the "Victory Private Placement").

In connection with the Acapulco Private Placement, Acapulco paid aggregate fees of $323,440 and issued finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Acapulco Private Placement to certain qualified finders.

In connection with the Victory Private Placement, Victory paid aggregate fees of $23,120 and issued finders' warrants to purchase 115,600 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Victory Private Placement to certain qualified finders.

The fair value of the total 1,732,800 finders' warrants is estimated on the grant date using the Black-Scholes option model valued at $181,115, with the following weighted average variables: risk-free interest rate of 0.44%, expected life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%.

Upon the closing of the Proposed Transaction, the Acapulco Subscription Receipts will be automatically exchanged for one common share of Acapulco (a "Acapulco Common Share"), and subsequently each Acapulco Common Share will be automatically exchanged for one common share in the capital of the Resulting Issuer (a "Resulting Issuer Share"). Upon the closing of the Proposed Transaction, each Victory Subscription Receipt will be automatically exchanged for one Resulting Issue Share.

COVID-19

Subsequent to 2019 year-end and currently, there is a global outbreak of COVID-19 (coronavirus), which has a significant impact on businesses through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations, and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or maybe put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate that this outbreak may negatively impact the Company's business and financial condition.

Filing Fees

During the three and nine months ended September 30, 2021, the Company incurred filing fees of $2,611 and $24,392, respectively (2020 - $3,300 and $13,797) related to the listing and filing fees. The filing fees of this quarter remained stable comparing to the corresponding quarter in 2020.

Professional Fees

During the three and nine months ended September 30, 2021, the Company incurred professional fees of $28,106 and $189,412, respectively (2020 - $36,890 and $53,533) related to consulting, legal and accounting fees. The substantial increase of $135,879 for the nine months ended September 30, 2021, was due to the consulting fees and legal fees incurred to planning, structuring, and executing the reverse takeover transaction with Acapulco, also for professionally drafting, reviewing, or preparing all necessary documentation during the process.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

As of September 30, 2021, the Company had a total of $180,801 cash available within its operating bank account to pay current liabilities of $87,372. Current liabilities consist of accounts payable and accrued liabilities for consulting, accounting, and legal fees incurred. The Company anticipates generating negative cash flows from operating activities quarterly until a Qualifying Acquisition has been completed and the Company generates revenue. As of September 30, 2021, the net assets of the Company were $195,211 (December 31, 2020-$407,698).

The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. The CPC Policy provides that until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of (i) 30% of the gross proceeds realized by the Company in respect of the sale of its securities, and (ii) $210,000, may be used for purposes other than evaluating businesses or assets.

If the Company requires additional funding for ongoing expenses or costs in connection with a potential Qualifying Acquisition, the Company may seek funding by way of unsecured loans from its Sponsor, which loans would unless approved otherwise by the TSX, bear interest at no more than prime rate plus 1%. Otherwise, and subject to any relief granted by the TSX, the Company may seek to raise additional funds through a right offering of shares available to its shareholders, in accordance with the requirements of applicable securities legislation, and subject to placing the required funds raised in the escrow account in accordance with applicable TSX rules. Other than the foregoing, the Company will not be able to obtain any form of debt or equity financing other than in accordance with applicable securities laws and only with the consent of the TSX. There is no assurance that the Company's plans to raise capital or to consummate a Qualifying Acquisition will be successful.

The Company has not entered into any off-balance sheet financing arrangements and has not guaranteed any debt or commitments of other entities or entered into any options on non-financial assets. Further, the Company has no contractual or purchase type of obligations other than those reported in the Company's statement of financial position as of September 30, 2021.

RELATED PARTIES

During the three and nine months ended September 30, 2021, the Company incurred consulting fees of totaling $9,450 and $28,350, respectively (2020 - $Nil and $Nil) payable to Pan-Pacific Supreme Enterprises Ltd., a company related to one of the Company's directors. As of September 30, 2021 and December 31, 2020, $37,800 and $9,450 were outstanding and included in accounts payable and accrued liabilities, respectively.

OUTSTANDING SHARES AND WARRANTS

The following table sets forth information regarding the issued and outstanding securities of the Company as at September 30, 2021:

	TOTAL
Common Shares	5,088,750
Warrants	Nil
Stock Options	407,100
Total	5,495,850

388,875 agent's warrants expired during the year ended December 31, 2019. As of September 30, 2021, there were no outstanding warrants on the balance.

During the year ended December 31, 2019, 203,550 stock options expired due to the resignation of two directors of the Company. As of September 30, 2021, there were 407,100 outstanding stock options on the balance. Each of the outstanding stock options allows the holder to acquire one common share of the Company at a price of $0.20 per share. Each option shall expire on the later of (i) twelve months following the completion of a Qualifying Transaction; and (ii) 90 days following cessation of the Optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was because of death, the option may be exercised within a maximum period of one year after such death, provided that no options may expire later than five years from the date such options are granted, that date being December 13, 2022.

BASIS OF PRESENTATION, CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Company's financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the Company's reported amounts of assets, liabilities, and items in net income or loss, and the related disclosure of contingent assets and liabilities, if any. The Company evaluates its estimates on an ongoing basis. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A summary of the significant judgments and estimates made by management and a summary of the Company's significant accounting policies used in the preparation of its financial information is provided within the Company's December 31, 2020, audited Financial Statements.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed, and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer, and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

MANAGING RISK

Except as otherwise disclosed in this MD&A and in the Company's unaudited interim Financial Statements for the three-month periods ended September 30, 2021, and 2020, there have been no significant changes to the nature and scope of the risks faced by the Company as further described in the final prospectus of the Company dated May 24, 2017, and the amended and restated prospectus dated August 24, 2017, which are available on SEDAR at *www.sedar.com*. Interested parties when evaluating the Company's performance and its outlook should consider these business risks.

PROSPECTUS

On May 24, 2017, the Company filed a prospectus for an initial public offering with the Ontario Securities Commission. Pursuant to an Agency Agreement dated May 24, 2017, the Company has appointed Gravitas Securities Inc. (the "Agent") as the lead agent of the initial public offering with gross proceeds of a minimum of $400,000 to a maximum of $2,200,000 consisting of a minimum of 2,000,000 Common Shares to a maximum of 11,000,000 common shares at a price of $0.20 per common share by way of an Initial Public Offering ("the Offering") pursuant to the policies of the TSX Venture Exchange governing CPCs. The Company will pay the Agent a commission of 10% of the gross proceeds of the Offering, payable immediately upon closing by certified cheque by the Company. During the year ended December 31, 2016, the Company paid the Agent a Corporate Finance Fee of $25,000 which was due and payable upon execution of a letter agreement between the parties. In addition, the Company will grant to the Agent options to purchase the number of common shares as is equal to 10% of all common shares issued in the agency agreement. The Agent's option will be exercisable at any time up until 24 months after the listing of the shares of the Company on the TSX Venture Exchange at the issue price. On August 24, 2017, this Prospectus was replaced by an Amended and Restated Prospectus with the same terms.

Dated: November 26, 2021, Toronto, Ontario

Signed "Roger (Zelong) He", Director

Signed "Raj Dewan", Director

SCHEDULE "C"

Acapulco audited consolidated financial statements for the years ended December 31, 2020 and 2019 and the period ended September 30, 2021.

ACAPULCO GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Acapulco Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Acapulco Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, 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 December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended 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 Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. 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.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

March 28, 2022

ACAPULCO GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2020	December 31, 2019
ASSETS		
Current		
Cash	$ 15,171	$ 85,842
Receivables	1,309	775
	$ 16,480	$ 86,617
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 178,495	$ 129,586
Promissory note (Note 5, 11)	15,000	$ -
	193,495	129,586
Shareholders' deficiency		
Share capital (Note 7)	685,946	670,946
Subscriptions received in advance	-	15,000
Deficit	(862,961)	(728,915)
	(177,015)	(42,969)
	$ 16,480	$ 86,617

Nature and continuance of operations (Note 1)
Proposed transaction (Note 11)
Subsequent event (Note 12)

Approved and authorized by the Board on March 28, 2022.

"Michael Williams" Director	*"John Larson "* Director
Michael Williams	John Larson

The accompanying notes are an integral part of these consolidated financial statements.

ACAPULCO GOLD CORP.
CONSOLDIATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
EXPENSES		
Foreign exchange	$ (1,362)	$ (3,634)
Office expense	26,791	1,773
Professional fees (Note 6)	84,541	34,881
Property investigation (Note 4)	25,491	-
Transfer agent and filing fees	5,912	2,656
Operating expense	(141,373)	(35,676)
Impairment of exploration and evaluation assets (Note 4)	-	21,000
Management income (Note 4)	7,327	13,605
Loss and comprehensive loss for the year	$ (134,046)	$ (43,071)
Basic and diluted loss per common share	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	6,661,091	6,644,104

The accompanying notes are an integral part of these consolidated financial statements.

ACAPULCO GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (134,046)	$ (43,071)
Items not affecting cash		
Impairment of exploration and evaluation assets	-	21,000
Non-cash working capital item changes:		
Receivables	(534)	1,376
Accounts payable and accrued liabilities	48,909	10,475
Net cash used in operating activities	(85,671)	(10,220)
CASH FLOWS FROM FINANCING ACTIVITIES		
Promissory note	15,000	-
Net cash provided by financing activities	15,000	-
Change in cash for the year	(70,671)	(10,220)
Cash, beginning of year	85,842	96,052
Cash, end of year	$ 15,171	$ 85,842
Non-cash financing and investing activities		
Issuance of shares related to subscriptions received in advance	$ 15,000	$ -
Exploration advances applied to exploration and evaluation recoveries	$ -	$ 82,507

No cash was paid for interest or taxes for the year ended December 31, 2020 and 2019.

The accompanying notes are an integral part of these consolidated financial statements.

ACAPULCO GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Share Capital								
	Number		**Amount**		**Subscriptions received in advance**		**Deficit**		**Total**
Balance, December 31, 2018	6,644,104	$	670,946	$	15,000	$	(685,845)	$	(101)
Loss for the year	-		-		-		(43,071)		(43,071)
Balance, December 31, 2019	6,644,104		670,946		15,000		(728,915)		(42,969)
Shares issued for cash	100,000		15,000		(15,000)		-		-
Loss for the year	-		-		-		(134,046)		(134,046)
Balance, December 31, 2020	6,744,104	$	685,946	$	-	$	(862,961)	$	(177,015)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Acapulco Gold Corp. (the “Company”) is a privately held exploration company incorporated in Canada under the British Columbia Corporations Act on February 1, 2011. The Company is principally engaged in the acquisition and exploration of resource properties. The head office, records office, and principal address of the Company is 103-145 15th Street West, West Vancouver, British Columbia, V7M 1R9. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

During the year ended December 31, 2020, the board of directors authorized a 3-for-1 share consolidation. The number of issued and outstanding shares and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The consolidated financial statements have been amended to include additional disclosure in note 4. There has been no change to previously reported figures.

The Company has entered into a proposed reverse takeover transaction (“RTO”) as disclosed in Note 11.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their value.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Minera Acagold S.A. de C.V. incorporated in Mexico.

A subsidiary is an entity over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The accounts of the Company subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

Basis of Measurement

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency and have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss. The Company has classified cash as FVTPL.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) as they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company has classified its receivables as amortized cost.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost: This category includes accounts payable and accrued liabilities and promissory note which are recognized at amortized cost using the effective interest method.

Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. On derecognition, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in profit or loss.

Transaction costs in respect of financial instruments at FVTPL are recognized in profit or loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration costs are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs for a producing property will be amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation asset costs or recoveries when the payments are made or received. When the option payments received exceed the carrying value of the related exploration and evaluation asset then the excess is recognized in profit or loss in the period the option receipt is recognized. Option receipts in the form of marketable securities are recorded at the quoted market price on the day the securities are received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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 from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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 to an amount that 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.

Decommissioning provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation for the years presented.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments including options, warrants, and convertible debt, if any. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Income tax expense 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. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 the date of the statement of financial position.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Significant judgments, estimates and assumptions

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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;
- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets; and

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of functional currency of the Company and its subsidiary

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Mexico Properties

On April 13, 2017, the Company entered into an option agreement ("Option Agreement") with OZ Exploration Pty Ltd.("OZ Minerals") and Minera Zalamera S.A. de C.V. ("Zalamera"), a company related by virtue of common directors, pursuant to which Zalamera granted an exclusive option to the Company and OZ Minerals, together as optionees, to acquire the Zaachila, Riqueza Marina and Zapotitlan Projects in Oaxaca, southern Mexico.

Under the Option Agreement, the Company and OZ Minerals can earn up to a 100% interest in the projects for cash and share consideration. The Company issued 350,000 common shares, valued at $21,000 and placed 650,000 common shares into escrow (Note 7). These shares were cancelled subsequent to December 31, 2020(Note 12).

During the year ended December 31, 2020, the Company incurred exploration and evaluation cost of $134,785 (2019 - $324,407) and received $142,112 (2019 - $241,880) as recoveries and management income and applied $82,507 of exploration advances in fiscal 2019, received in prior years. Additionally, the Company incurred property investigation costs of $25,491 (2019-$Nil).

Exploration cost and recoveries for the year ended December 31, 2020 and 2019.

	Riqueza Marina Property	Zaachila Property	Zapotitlan Property	Total
Exploration Costs				
For the year ended December 31, 2019				
Assay	$ 4,249	$ 2,078	$ -	$ 6,327
Concession payments	59,343	44,538	-	103,881
Drilling permitting	704	3,068	-	3,772
Equipment, field supplies, and other	16,823	2,055	8,372	27,250
Geological	44,114	39,631	-	83,745
Geophysical	75,221	23,037	-	98,258
Travel	1,174	-	-	1,174
Recoveries, excluding management income	(201,628)	(114,407)	(8,372)	(324,407)
Total, December 31, 2019	-	-	-	-
For the year ended December 31, 2020				
Assay	3,840	1,616	872	6,328
Drilling permitting	54,096	4,254	-	58,350
Equipment, field supplies, and other	10,095	406	-	10,501
Geological	43,085	10,249	1,633	53,334
Geophysical	440	-	-	440
Travel	4,199	-	-	4,199
Recoveries, excluding management income	(115,755)	(16,525)	(2,505)	(134,785)
Total, December 31, 2020	-	-	-	-

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Mexico Properties (continued)

During the year ended December 31, 2019, OZ Minerals withdrew from the Option Agreement with the Company and Zalamera as a result the Company recorded an impairment of exploration and evaluation assets in the amount of $21,000. During the year ended December 31, 2020, the Company received $7,327 (2019 - $13,605) as management income equal to 10% of all expenditures incurred on the properties as the Company acted as the manager associated with the properties.

On March 16, 2022, the Company entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately proceeding the completion of the RTO with Victory (Note 11) the Company will issue a total of 25,000,000 common shares and will pay $200,000 and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company will grant a 3% net smelter returns royalty (“NSR”) over the properties.

Concession fees on the Riqueza Marina, Zaachila and El Rescate projects owned by Minera Zalamera SA de CV were $94,597, $76,334 and $9,543 respectfully for the year ended December 31, 2020. These confession fees are not paid or accrued by Acapulco in fiscal 2020 as the company had no obligation to accrue or pay such fees subsequent to the termination of the Option Agreement.

5. PROMISSORY NOTE

On November 27, 2020, the Company issued a promissory note to Victory Capital Corp. (“Victory Capital”) and received $15,000. The promissory note bears an interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture (“TSXV”) for the Proposed Transaction (Note 11); and (ii) June 30, 2021. As of December 31, 2020, the Company accrued interest of $71 (2019 - $Nil) included in accounts payable and accrued liabilities. Effective November 30, 2021, the Company and Victory Capital revised the maturity date to be the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture (“TSXV”) for the Proposed Transaction (Note 11); and (ii) March 31, 2022.

Subsequent to December 31, 2020, the Company received additional advances $160,000.

6. RELATED PARTY TRANSACTIONS

Key management personnel includes 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 consists of members of the Board and corporate officers, including the Company’s Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

	For the year ended December 31, 2020	2019
	$	$
Professional fees	18,000	13,500
Exploration and evaluation fees netted against recoveries	19,774	64,757
	37,774	78,257

As at December 31, 2020, $50,400 (2019 - $32,550) was included in accounts payable and accrued liabilities owing to directors of the Company.

7. SHAREHOLDERS' DEFICIENCY

Authorized

An unlimited number of common shares without par value.

Share consolidation

As described in Note 1, during the year ended December 31, 2020, the board of directors authorized a 3-for-1 share consolidation. The number of issued and outstanding shares, warrants, and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

Issued share capital

During the year ended December 31, 2020, the Company:

a) Completed a non-brokered private placement, issuing a total of 100,000 common shares at a price of $0.15 for cash proceeds of $15,000 which was received in the year ended December 31, 2018 and recorded as subscriptions received in advance.

No transactions during the year ended December 31, 2019.

Escrow Shares

The Company advanced 650,000 common shares into escrow pursuant to a property agreement (Note 4). These shares have been treated as treasury shares and have been excluded from total shares outstanding. These shares were cancelled subsequent to December 31, 2020 (Note 12).

No stock options or share purchase warrants were issued during the year ended December 31, 2020 and 2019.

(Expressed in Canadian Dollars)

8. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes for the years ended December 31, 2020 and 2019 are as follows:

		2020		2019
Loss before income taxes	$	(134,046)	$	(43,071)
Expected income tax (recovery)	$	(37,000)	$	(12,000)
Change in unrecognized deductible temporary differences		37,000		12,000
Income tax recovery	$	-	$	-

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		2020	Expiry Date Range		2019
Exploration and evaluation assets	$	21,000	N/A	$	21,000
Non-capital losses		570,000	2032-2104		435,000
	$	591,000		$	456,000

9. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Mexico (Note 4).

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, accounts payable and accrued liabilities, and promissory note approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

   The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any demand deposit included in cash as they are generally held with large financial institutions. The Company is not exposed to significant interest rate risk.

b) Foreign currency risk

   The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

   The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Capital management (cont'd…)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

11. PROPOSED TRANSACTION

On February 5, 2021, Victory Capital Corp. ("Victory") and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, entered into a binding agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction of Victory by the Company, which will constitute the completion of Victory's Qualifying Transaction.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 through the issuance of subscription receipts of the Company; (ii) the approval by the directors of Victory and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSXV.

The Company has received advances from Victory as disclosed in Note 5.

12. SUBSEQUENT EVENT

Subsequent to December 31, 2020, the Company:

- Cancelled 650,000 common shares which were considered treasury shares in relation to exploration and evaluation assets (Note 4).
- Entered into a loan agreement with Valsequillo Silver S.A de C.V and received $21,177 (MXN $333,500). The loan bears an interest of 7% per annum, and the outstanding principal plus accrued interest shall be repaid October 9, 2021. The maturity date has been extended to January 2022 and the additional extension on the maturity date is currently being renegotiated.
- Closed a non-brokered private placement of subscription receipts for aggregate gross proceeds of $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the Proposed Transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share").

  In connection with the Company's private placement, the Company agreed to pay aggregate fees of $323,440 (of which $63,240 has been paid subsequently) on closing and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders upon closing of the proposed transaction.
- The Company entered in an amended and restated property agreement with Zalamera (Note 4).

ACAPULCO GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

(UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

ACAPULCO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars – unaudited)
AS AT

	September 30, 2021 (amended note 1)	December 31, 2020
ASSETS		
Current		
Cash	$ 38,147	$ 15,171
Restricted cash (Note 10)	544,868	-
Receivables	2,531	1,309
	$ 585,546	$ 16,480
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 169,802	$ 178,495
Loan (Note 5)	21,177	-
Promissory note (Note 5)	100,000	15,000
Subscriptions received in advance (Note 11)	544,868	-
	835,847	193,495
Shareholders' equity (deficiency)		
Share capital (Note 7)	685,946	685,946
Deficit	(936,247)	(862,961)
	(250,301)	(177,015)
	$ 585,546	$ 16,480

Nature and continuance of operations (Note 1)
Proposed transaction (Note 10)
Subsequent event (Note 11)

Approved and authorized by the Board on March 28, 2022.

"Michael Williams" Director — Michael Williams

"John Larson" Director — John Larson

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ACAPULCO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars – unaudited)

	Three months Ended September 30, 2021	Three months Ended September 30, 2020	Nine months Ended September 30, 2021	Nine months Ended September 30, 2020
EXPENSES				
Foreign exchange	$ 187	$ 24	$ (462)	$ 1,263
Office expense	1,129	322	2,472	1,086
Professional fees (Note 6)	15,270	5,397	43,724	19,492
Property investigation (Note 4)	20,409	-	25,614	-
Transfer agent and filing fees	616	1,744	1,938	2,694
Operating expense	(37,611)	(7,487)	(73,286)	(24,535)
Management income (Note 4)	-	-	-	7,327
Loss and comprehensive loss for the period	$ (37,611)	$ (7,487)	$ (73,286)	$ (17,208)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	6,744,104	6,644,104	6,744,104	6,644,104

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ACAPULCO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars – unaudited)

	Nine months Ended September 30, 2021	Nine months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (73,286)	$ (17,208)
Items not affecting cash		
Accrued interest	1,535	-
Non-cash working capital item changes:		
Receivables	(1,222)	139
Accounts payable and accrued liabilities	(10,228)	(44,911)
Net cash used in operating activities	(83,201)	(61,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan	21,177	-
Promissory note	85,000	-
Subscriptions received in advance	544,868	-
Net cash provided by financing activities	651,045	-
Change in cash for the period	567,844	(61,980)
Cash, beginning of period	15,171	85,842
Cash and restricted cash, end of period	$ 583,015	$ 23,862
Cash	$ 38,147	$ 23,862
Restricted cash	544,868	-
	$ 583,015	$ 23,862

No cash was paid for interest or taxes for the nine months period ended September 30, 2021 and 2020.

Non cash transactions – none

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ACAPULCO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars – unaudited)

	Share Capital				
	Number	**Amount**	**Subscriptions received in advance**	**Deficit**	**Total**
Balance, December 31, 2019	6,644,104	$ 670,946	$ 15,000	$ (728,915)	$ (42,969)
Loss for the period	-	-	-	(17,208)	(17,208)
Balance, September 30, 2020	6,644,104	670,946	15,000	(746,123)	(60,177)
Shares issued for cash	100,000	15,000	(15,000)	-	-
Loss for the period	-	-	-	(116,838)	(116,838)
Balance, December 31, 2020	6,744,104	685,946	-	(862,961)	(177,015)
Loss for the period	-	-	-	(73,286)	(73,286)
Balance, September 30, 2021 (amended – note 1)	6,744,104	$ 685,946	$ -	$ (936,247)	$ (250,301)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Acapulco Gold Corp. (the "Company") is a privately held exploration company incorporated in Canada under the British Columbia Corporations Act on February 1, 2011. The Company is principally engaged in the acquisition and exploration of resource properties. The head office, records office, and principal address of the Company is 103-145 15th Street West, West Vancouver, British Columbia, V7M 1R9. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These consolidated financial statements have been amended to include additional property disclosure in note 4. There was no impact to profit or loss. These consolidated final statements also include a reclassification adjustment for $544,568 to subscriptions received in advance as a liability which had previously been included as a component of equity, impacting both the statement of financial position and statement of changes in equity.

The Company has entered into a proposed reverse takeover transaction ("RTO") as disclosed in Note 10.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements do not include all of the information required in a full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these financial statements be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2020.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Minera Acagold S.A. de C.V. incorporated in Mexico.

A subsidiary is an entity over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The accounts of the Company subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

Basis of Measurement

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency and have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss. The Company has classified cash as FVTPL.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) as they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company has classified its receivables as amortized cost.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost: This category includes accounts payable and accrued liabilities, loan and promissory note which are recognized at amortized cost using the effective interest method.

Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. On derecognition, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in profit or loss.

Transaction costs in respect of financial instruments at FVTPL are recognized in profit or loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Significant judgments, estimates and assumptions

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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of functional currency of the Company and its subsidiary.

4. EXPLORATION AND EVALUATION ASSETS

Mexico Properties

On April 13, 2017, the Company entered into an option agreement ("Option Agreement") with OZ Exploration Pty Ltd.("OZ Minerals") and Minera Zalamera S.A. de C.V. ("Zalamera"), a company related by virtue of common directors, pursuant to which Zalamera granted an exclusive option to the Company and OZ Minerals, together as optionees, to acquire the Zaachila, Riqueza Marina and Zapotitlan Projects in Oaxaca, southern Mexico.

Under the Option Agreement, the Company and OZ Minerals could earn up to a 100% interest in the projects for cash and share consideration. The Company issued 350,000 common shares, valued at $21,000 and placed 650,000 common shares into escrow (Note 7). These shares were cancelled in the nine-month period end September 30, 2021(Note 7).

During the year ended December 31, 2019, OZ Minerals terminated the Option Agreement with the Company and Zalamera as a result the Company recorded an impairment of exploration and evaluation assets in the amount of $21,000.

On March 16, 2022, the Company entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the completion of the RTO with Victory (Note 10), the Company will issue a total of 25,000,000 common shares and will pay $200,000 and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company will grant a 3% net smelter returns royalty ("NSR") over the properties.

During the period ended September 30, 2021, the Company incurred exploration and evaluation expenditures of $Nil (September 30, 2020 -$134,785) and received $Nil (September 30, 2020 - $134,785) as recoveries. Additionally, the Company incurred property investigation costs of $25,614 (September 30, 2020-$Nil).

(Expressed in Canadian Dollars – unaudited)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Mexico Properties (cont'd…)

	Riqueza Marina Property	Zaachila Property	Zapotitlan Property	Total
Exploration and Evaluation expenditures for the period ended September 30, 2020	$	$	$	$
Assay	3,840	1,616	872	6,328
Drilling permitting	54,096	4,254	-	58,350
Equipment, field supplies, and other	10,095	406	-	10,501
Geological	43,085	10,249	1,633	54,967
Geophysical	440	-	-	440
Travel	4,199	-	-	4,199
Recoveries, excluding management income	(115,755)	(16,525)	(2,505)	(134,785)
Total, September 30, 2020 and December 31, 2020	-	-	-	-
Property investigation costs for the nine-month period ended September 30, 2021				
Assay	2,070	1,242	-	3,312
Geological	19,048	3,254	-	22,302
Total, September 30, 2021	21,188	4,496	-	25,614

Concession fees on the Riqueza Marina, Zaachila and El Rescate projects owned by Minera Zalamera SA de CV were $120,032, $71,983 and $18,609 respectfully for the nine-month period ended September 30, 2021. These confession fees are not paid or accrued as at September 30, 2021 as the Company had no obligation to accrue or pay such fees.

Concession fees on the Riqueza Marina, Zaachila and El Rescate projects owned by Minera Zalamera SA de CV were $94,597, $76,334 and $9,543 respectfully for the year ended December 31, 2020. These confession fees are not paid or accrued by Acapulco as at September 30, 2020 as the Company had no obligation to accrue or pay such fees.

During the period ended September 30, 2021, the Company received $Nil (September 30, 2020 - $7,327) as management income equal to 10% of all expenditures incurred on the properties as the Company acted as the manager associated with the properties.

(Expressed in Canadian Dollars – unaudited)

5. PROMISSORY NOTE AND LOAN

Promissory Note

On November 27, 2020, the Company issued a promissory note to Victory Capital Corp. ("Victory Capital") and received $15,000. The promissory note bears an interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture ("TSXV") for the Proposed Transaction (Note 10); and (ii) June 30, 2021. Effective November 30, 2021, the Company and Victory Capital revised the maturity date to be the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture ("TSXV") for the Proposed Transaction (Note 10); and (ii) March 31, 2022.

During the nine months period ended September 30, 2021, the Company received additional funds relating to the promissory note in the amount of $85,000 and accrued interest of $1,535 (September 30, 2020 - $Nil) included in accounts payable and accrued liabilities. Subsequent to September 30, 2021, received additional advances of $75,000 from Victory.

Loan

On September 8, 2021, the Company entered into a loan agreement with Valsequillo Silver S.A de C.V and received $21,177 (MXN $333,500). The loan bears an interest of 7% per annum, and the outstanding principal plus accrued interest shall be repaid October 9, 2021. The maturity date has been extended to January 2022 and the additional extension on the maturity date is currently being renegotiated.

6. RELATED PARTY TRANSACTIONS

Key management personnel includes 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 consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim consolidated financial statements:

	For the period ended September 30,	
	2021	**2020**
	$	**$**
Professional fees	9,000	9,000
Exploration and evaluation expenditures netted against recoveries	-	17,673
	9,000	26,673

As at September 30, 2021, $53,800 (December 31, 2020 - $ 50,400) was included in accounts payable and accrued liabilities owing to directors of the Company.

7. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued share capital

During the nine-month period ended September 30, 2021, the Company:

a) The Company cancelled 650,000 common shares from escrow pursuant to a property agreement (Note 4). These shares were previously treated as treasury shares and were previously excluded from total shares outstanding.

7. SHARE CAPITAL (cont'd…)

During the year ended December 31, 2020, the Company:

b) Completed a non-brokered private placement, issuing a total of 100,000 common shares at a price of $0.15 for cash proceeds of $15,000 which had been recorded as subscriptions received in advance.

Escrow Shares

As at September 30, 2021, the Company had nil common shares in escrow. As at December 31, 2020, the Company had advanced 650,000 common shares into escrow pursuant to a property agreement (Note 4).

No stock options or share purchase warrants were issued during the periods presented.

8. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Mexico.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, accounts payable and accrued liabilities, loan and promissory note approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any demand deposit included in cash as they are generally held with large financial institutions. The Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

10. PROPOSED TRANSACTION

On February 5, 2021, Victory Capital Corp. ("Victory") and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, entered into a binding agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction ("RTO") of Victory by the Company, which will constitute the completion of Victory's Qualifying Transaction.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 through the issuance of subscription receipts of the Company (see note 11); (ii) the approval by the directors of Victory and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSXV.

The Company has received advances from Victory as disclosed in note 5.

11. SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2021, the Company:

- Closed a non-brokered private placement of subscription receipts for aggregate gross proceeds of $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the Proposed Transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share"). During the period ended September 30, 2021, the Company received $544,868 in subscriptions received in advance which is recorded as restricted cash.

  In connection with the Company's private placement, the Company agreed to pay aggregate fees of $324,440 (of which $63,240 has been paid subsequently) and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders upon closing of the RTO.

- The Company entered into a amended and restated property agreement with Zalamera (Note 4).

SCHEDULE "D"

Acapulco MD&A for the years ended December 31, 2020 and 2019 and the periods ended September 30, 2021 and 2020.

ACAPULCO GOLD CORP.

Management Discussion and Analysis

For the years ended December 31, 2020 and 2019

Containing information up to and including March 28, 2022

Notice

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Acapulco Gold Corp. (the "Company" or "Acapulco") financial statements. The information provided herein should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019, which are prepared in accordance with International Financial Accounting Standards ("IFRS"). The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

Description of Business

Acapulco Gold Corp. (the "Company") is a privately held exploration company incorporated in Canada under the British Columbia Corporations Act on February 1, 2011. The Company is principally engaged in the acquisition and exploration of resource properties. The head office, records office, and principal address of the Company is 103-145 15th Street West, West Vancouver, British Columbia, V7M 1R9. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;
- the anticipated use of the proceeds from the financings;
- the potential to verify and potentially expand upon the historical resources;

- the potential for the expansion of the known mineralized zones; and
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in exploration and evaluation assets, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/optionees; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's exploration and evaluation assets are reflective of the deposit as a whole.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

Selected Annual Information

	Year ended December 31, 2020	**Year ended December 31, 2019**
Operating expenses	$ 141,373	$ 35,676
Comprehensive Loss for the Year	134,046	43,071
Comprehensive Loss per Share – Basic and Diluted	(0.02)	(0.01)
Total assets	16,480	86,617
Total current liabilities	193,495	129,586
Total long-term financial liabilities	Nil	Nil

Highlights for the year ended December 31, 2020 and up to March 28, 2022

- On November 20, 2020, the Company entered into a property purchase and sale agreement with Zalamera to purchase a 100% interest in the Riqueza Maria Project, Zaachila Project and the Rescate Project each located in Mexico. No later than February 28, 2021, the Company will issue a total of 25,000,000 common shares and $62,500. Subsequent to year end, the Company renegotiated the issuance and payment to occur no later than the close of the reverse-takeover transaction with Victory.
- On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Victory Capital Corp. ("Victory Capital"). Pursuant to the LOI, the Company and Victory Capital will negotiate and enter into a definitive agreement (the "Definitive Agreement"), pursuant to which it is anticipated that Victory Capital will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover("RTO") of the Company by Acapulco (the "Proposed Transaction").
- On November 27, 2020, the Company issued a promissory note to Victory Capital Corp. ("Victory Capital") and received $15,000. The promissory note bears an interest of 6% per annum, and the outstanding principal plus accrued interest shall be repaid the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture ("TSXV") for the Proposed Transaction; and (ii) June 30, 2021. As of December 31, 2020, the Company accrued interest of $71 (2019 - $Nil) included in accounts payable and accrued liabilities. Effective November 30, 2021, the Company and Victory Capital revised the maturity date to be the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture ("TSXV") for the Proposed Transaction (Note 11); and (ii) March 31, 2022.
- The Company Completed a non-brokered private placement, issuing a total of 100,000 common shares at a price of $0.15 for cash proceeds of $15,000 which was received in the year ended December 31, 2018 and recorded as subscriptions received in advance.

- On February 5, 2021, Victory Capital Corp. ("Victory") and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, entered into a binding agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction of Victory by the Company, which will constitute the completion of Victory's Qualifying Transaction.

  The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 through the issuance of subscription receipts of the Company; (ii) the approval by the directors of Victory and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSX Venture Exchange.

- The Company cancelled 650,000 common shares which were considered treasury shares in relation to exploration and evaluation assets.

- Entered into a loan agreement with Valsequillo Silver S.A de C.V and received $21,177 (MXN $333,500). The loan bears an interest of 7% per annum, and the outstanding principal plus accrued interest shall be repaid October 9, 2021. The maturity date has been extended to January 2022 and the additional extension on the maturity date is currently being renegotiated.

- Subsequent to December 31, 2020, closed non brokered private placement of subscription receipts for aggregate gross proceeds of approximately $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the proposed transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share").

  In connection with the Company's private placement, the Company agreed to pay aggregate fees of $323,440 (of which $63,240 are paid) and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders.

- On March 16, 2022, the Company entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the completion of the RTO with Victory the Company will issue a total of 25,000,000 common shares, will pay $200,000 and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company will grant a 3% net smelter returns royalty ("NSR") over the properties.

Results of Operations

Year ended December 31, 2020 compared with year ended December 31, 2019

During the year ended December 31, 2020 the Company had a total comprehensive loss of $134,046 (2019 - $43,071) or $0.02 per share (2019 - $0.01 per share). The following discussion explains the variations in the key components of these numbers.

The significant changes in comprehensive loss from the prior period are as follows:

- Professional fees of $84,541 (2019 - $34,881) increased due to the Company incurring more services associated with the Proposed Transaction: the reverse-takeover transaction of Victory by the Company.
- Property investigation of $25,491 (2019 - $Nil) increased due to the Company being more active and looking for more projects.
- Office expense of $26,791 (2019 - $1,773) increased due to the Company being more active.

Summary of Quarterly Results and Fourth Quarter

The Company did not prepare quarterly financial statements no quarterly financial information is available.

Exploration and Evaluation Asset and Expenditures Table

Below is a summary of the cumulative acquisition costs incurred by project as at December 31, 2020:

	La Zalamera	Rama de Oro	Riqueza Marina	Zaachila	Zapotitlan	Total
Acquisition Costs						
Opening balance, December 31, 2018	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 21,000
Additions	-	-	-	-	-	-
Impairment	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(21,000)
Closing balance, December 31, 2019 and 2020	$ -	$ -	$ -	$ -	$ -	$ -

Below is a summary of the exploration expenditures charged to profit and loss by project as at December 31, 2020:

	La Zalamera	Rama de Oro	Riqueza Marina	Zaachila	Zapotitlan	Total
Explorations expenditures s						
Opening balance, December 31, 2018	$ -	$ -	$ -	$ -	$ -	$ -
Additions	-	-	-	-	-	-
Assay	-	-	4,249	2,078	-	6,327
Concession	-	-	59,343	44,538	-	103,881
Drilling permitting	-	-	704	3,068	-	3,772
Equipment, field supplies and other	-	-	16,823	2,055	8,372	27,250
Geological	-	-	44,114	39,631	-	83,745
Geophysics	-	-	75,221	23,037	-	98,258
Travel	-	-	1,174	-	-	1,174
Recoveries, excluding management income	-	-	(201,628)	(114,407)	(8,372)	(324,407)
Closing balance, December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Additions	-	-	-	-	-	-
Assay	-	-	3,840	1,616	872	6,328
Drilling permitting	-	-	54,096	4,254	-	58,350
Equipment, field supplies and other	-	-	10,095	406	-	10,501
Geological	-	-	43,085	10,249	1,633	54,967
Geophysics	-	-	440	-	-	440
Travel	-	-	4,199	-	-	4,199
Recoveries, excluding management income	-	-	(115,755)	(16,525)	(2,505)	(134,785)
Closing balance, December 31, 2020	$ -	$ -	$ -	$ -	$ -	$ -

Liquidity and Capital Resources

To date the Company has financed its operations through the sale of its common shares and a promissory note. As at December 31, 2020 the Company had negative working capital of $177,015 (2019 - $42,969), comprised of $16,480 (2019 -$86,617) in current assets and $193,495 (2019 - $129,586) in current liabilities. During the year ended December 31, 2020, the Company issued 100,000 shares relating to private placements resulting in net proceeds of $15,000.

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Common Shares to finance its business operations. The Company expects to raise additional funds through public or private equity funding, joint venture arrangements, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

Recent Developments and Outlook

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Property Overviews

Mexico Properties

On April 13, 2017, the Company entered into an option agreement (“Option Agreement”) with OZ Exploration Pty Ltd.("OZ Minerals") and Minera Zalamera S.A. de C.V. (“Zalamera”), a company related by virtue of common directors, pursuant to which Zalamera granted an exclusive option to the Company and OZ Minerals, together as optionees, to acquire the Zaachila, Riqueza Marina and Zapotitlan Projects in Oaxaca, southern Mexico.

Under the Option Agreement, the Company and OZ Minerals can earn up to a 100% interest in the projects for cash and share consideration. The Company issued 350,000 common shares, valued at $21,000 and placed 650,000 common shares into escrow . These shares were cancelled subsequent to December 31, 2020.

During the year ended December 31, 2020, the Company incurred exploration and evaluation cost of $134,785 (2019 -$324,407) and received $142,112 (2019 - $241,880) as recoveries and management income and applied $82,507 of exploration advances in fiscal 2019. Additionally, the Company incurred property investigation costs of $25,491 (2019-$Nil).

During the year ended December 31, 2019, OZ Minerals terminated the Option Agreement with the Company and Zalamera as a result the Company recorded an impairment of exploration and evaluation assets in the amount of $21,000. During the year ended December 31, 2020, the Company received $7,327 (2019 - $13,605) as management income equal to 10% of all expenditures incurred on the properties as the Company acted as the manager associated with the properties.

On November 20, 2020, the Company entered into a property purchase and sale agreement with Zalamera to purchase a 100% interest in the Riqueza Maria Project, Zaachila Project and the El Rescate Project each located in Mexico. No later than February 28, 2021, the Company will issue a total of 25,000,000 common shares and $62,500. Subsequent to year end, the Company renegotiated the issuance and payment to occur no later than the close of the reverse-takeover transaction with Victory.

Concession fees on the Riqueza Marina, Zaachila and El Rescate projects owned by Minera Zalamera SA de CV were $94,597, $76,334 and $9,543 respectfully for the year ended December 31, 2020. These confession fees are not paid or accrued by Acapulco in fiscal 2020 as the company had no obligation to accrue or pay such fees subsequent to the termination of the Option Agreement.

The Riqueza Marina-Zaachila project (RQMZ) consists of four exploration concessions in two distinct blocks, Riqueza Marina and Zaachila, within an underexplored, and minimally understood, volcanogenic massive sulfide (VMS) district in southern Oaxaca, Mexico. The concessions cover a cumulative area totaling 15,308 Hectares.

The RQMZ project is situated in close proximity to the southern Pacific coast of Mexico and is surrounded by First World infrastructure and has available a broad array of resources, especially energy and manpower. Two major population and economic centers, Tehuantepec and Salina Cruz, are located within 15 to 45 minutes of the project area, respectively. Salina Cruz, the nearby coastal port, experiences a tropical savanna climate. Monsoonal moisture dominates the region from May to October while November to March the precipitation is much less.

The mineral potential of the Riqueza Marina project area was first recognized by David M Jones over a period of years in the early 2000’s. Prior to this time, there is no record of mineral exploration in the project areas.

In 2013 world-renowned VMS expert Dr. Jim Franklin was invited for a field review of the Zaachila and Riqueza Marina projects and confirmed their potential to host Noranda-style deposits in a written report. (Dr. Franklin has since agreed to become a Technical Advisor to the Company).

The central western Cretaceous cordilleran region of Mexico is highly prospective for massive sulfide deposits. The Santa Marta VMS deposit (Minaurum Gold Corp.), located in Eastern Oaxaca and about 150 km east of the Riqueza Marina - Zaachila concessions, shares many similarities to the VMS occurrences observed in the RQMZ project area. Similar geologic settings with probable VMS deposits in Cretaceous rocks have been identified in Mexico at two major districts: Campo Morado (Guerrero) and San Nicolas (Zacatecas).

Copper-gold mineralization contained within the RQMZ area, as well as the Santa Marta project to the east, have been interpreted to represent the oxidized portions of volcanogenic massive sulfide deposits (VMS), a genetic class of mineral deposits. VMS deposits are strata-bound accumulations of sulfide minerals that precipitated at or near the sea floor in spatial, temporal and genetic association with contemporaneous mineralization. By definition, the deposits consist of two parts: a concordant massive sulfide lens (>60% sulfide minerals), and discordant vein-type mineralization located mainly in the footwall strata, commonly referred to as the stringer or stockwork zone.

Extensive exposures of oxidized copper-gold mineralization at RQMZ are interpreted as manifestations of sub-surface mineral deposits. Litho-geochemical studies have confirmed a chemical environment consistent with a ‘productive’ VMS camp. The employment of geophysics over several of these prospects corroborates these suspicions with both gravity and magnetic data. Although additional surface studies are proposed below, drilling at RQMZ is clearly justified and recommended.

Based upon the Author’s visit to the RQMZ project in September 2020 and discussions with Mr. David Jones, several recommendations for additional work over a 6 to 9 month period at an estimated cost US$1.175 M.

Riqueza Marina and Zaachila Exploration History

Years			2000-2003	2006-2008	2012-2013	2017-2019
Riqueza Marina	Geology	Observations	1	5	109	2053
	Geochemistry	StreamSeds	0	0	46	0
		Rock	6	0	200	668
		Soil (NitonXRF)	0	0	0	740
	Geophysics	Gravity	-	-	-	754 stations
		GroundMag	-	-	-	63 line-km’s
Zaachila	Geology	Observations	29	9	16	1756
	Geochemistry	StreamSeds	0	10	31	0
		Rock	0	26	124	179
		Soil (NitonXRF)	0	0	0	26
	Geophysics	Gravity	-	-	-	370 stations
		GroundMag	-	-	-	33 line-km’s

Qualified Person statement

Rob Johansing, M.S., a Qualified Person as defined by National Instrument 43-101, prepared the information that forms the basis for this written disclosure.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Acapulco will require additional funding.

As at December 31, 2020, the Company held cash of $15,171 and accounts payable and accrued liabilities of $178,495. The Company does not have any source of revenue will require additional funding and has historically relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Acapulco is subject to government regulation.

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. 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 authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Acapulco may be adversely affected by fluctuations in metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Infrastructure

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its projects and could result in higher costs.

Acapulco does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Acapulco may be subject to disputes.

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company.

Acapulco is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

Acapulco's officers and directors may have potential conflicts of interest.

Acapulco's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of the Company's time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

The operations of the Company will require licences and permits from various governmental and nongovernmental authorities. the Company intends to obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and extraction operations on its mining properties.

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the mining property to be purchased by the Company. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Title to mineral property

The mineral property interests acquired by the Company may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third party claims such as First Nations claims, affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop and extract any ore on that property, without compensation for its prior expenditures relating to such property.

Potential Political, Social and Economic Instability in Mexico

The principal mineral property interests of the Company are located exclusively in Mexico. Although the Company believes that the current conditions in Mexico are relatively stable and conducive to conducting business, the Company's current and future mineral exploration and mining activities could be impacted by adverse political or economic developments. Such adverse developments may include obstruction of surface access to the land, the imposition of unfavourable government regulations on foreign investment, production and extraction limitations, prices, exports, income taxes, expropriation of property, environmental compliance and worker safety.

Reputational risk

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the Company and the price of the Company's securities.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at December 31, 2020 and to the date of this MD&A.

Proposed Transactions

On November 24, 2020, the Company entered into a letter of intent (the "LOI") with Victory Capital Corp. ("Victory Capital"). Pursuant to the LOI, the Company and Victory Capital will negotiate and enter into a definitive agreement (the "Definitive Agreement"), pursuant to which it is anticipated that Victory Capital will acquire all of the issued and outstanding securities of Acapulco at an exchange ratio to be determined in accordance with the Definitive Agreement, resulting in the reverse takeover of the Company by Acapulco (the "Proposed Transaction").

On February 5, 2021, Victory Capital and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory Capital, which was incorporated on February 5, 2021, entered into a binding merger agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction of the Company by Victory, which will constitute the completion of Victory's Qualifying Transaction.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 (the "Private Placement") through the issuance of subscription receipts of the Company (the "Subscription Receipts"); (ii) the approval by the directors of Victory Capital and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSXV. Effective November 30, 2021, the Company and Victory Capital revised the maturity date to be the earlier of: (i) receipt of final approval of the Toronto Stock Exchange Venture ("TSXV") for the Proposed Transaction (Note 11); and (ii) March 31, 2022.

As at December 31, 2020, the Company received advances of $15,000 from Victory and received $160,000 subsequently.

Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value. As at March 28, 2022, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at March 28, 2022	6,744,104		

Subsequent to the year ended December 31, 2021, the Company closed a non-brokered private placement of subscription receipts for aggregate gross proceeds of approximately $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the Proposed Transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share"). In connection with the Company's private placement, the Company agreed to pay aggregate fees of $323,440 (of which $63,240 has been paid) and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders, on closing.

No stock options or share purchase warrants were issued during the year ended December 31, 2020 and 2019.

Escrow Shares

The Company advanced 650,000 common shares into escrow pursuant to a property agreement . These shares have been treated as treasury shares and have been excluded from total shares outstanding. These shares were cancelled subsequent to December 31, 2020.

Transactions with Related Parties

Key management personnel includes 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 consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

	For the period ended December 31, 2020	2019
	$	$
Professional fees	18,000	13,500
Exploration and evaluation fees netted against recoveries	19,774	64,757
	37,774	78,257

As at December 31, 2020, $50,400 (2019 - $32,550) was included in accounts payable and accrued liabilities owing to directors of the Company,

Accounting Policies and Estimates

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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;

The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets; and

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of functional currency of the Company and its subsidiary

Financial Instruments and Risk Management

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, accounts payable and accrued liabilities and promissory note approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a)Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any demand deposit included in cash as they are generally held with large financial institutions. The Company is not exposed to significant interest rate risk.

b)Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Approval

The Board of Directors of Acapulco has approved the disclosure contained in this MD&A.

HEAD OFFICE

Acapulco Gold Corp.
103-145 15th Street West
West Vancouver, British Columbia
V7M 1R9
Canada

OFFICERS & DIRECTORS

Michael Williams
CEO and Director

Wayne Cahill
Chief Financial Officer

John Larson
Director

Victor Webb
Director

CAPITALIZATION
(as at March 28, 2022)

Shares Authorized: Unlimited Common Shares
Shares Issued: 6,744,104

REGISTRAR & TRUST AGENT

Odyssey Trust Co
409 Granville St.
Vancouver, BC V6C 1T2
Canada

AUDITOR

Davidson and Company LLP
1200 – 609 Granville Street
Vancouver, BC V7Y 1G6
Canada

LEGAL COUNSEL

DuMoulin Black LLP
10th Floor – 595 Howe Street
Vancouver, BC V6C 2T5
Canada

ACAPULCO GOLD CORP.

Management Discussion and Analysis

For the nine months ended September 30, 2021 and 2020

Containing information up to and including
March 28, 2022

Notice

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Acapulco Gold Corp. (the "Company" or "Acapulco") financial statements. The information provided herein should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2021 and 2020, which are prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

Description of Business

Acapulco Gold Corp. (the "Company") is a privately held exploration company incorporated in Canada under the British Columbia Corporations Act on February 1, 2011. The Company is principally engaged in the acquisition and exploration of resource properties. The head office, records office, and principal address of the Company is 103-145 15th Street West, West Vancouver, British Columbia, V7M 1R9. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;
- the anticipated use of the proceeds from the financings;

- the potential to verify and potentially expand upon the historical resources;
- the potential for the expansion of the known mineralized zones; and
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in exploration and evaluation assets, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/optionees; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's exploration and evaluation assets are reflective of the deposit as a whole.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

Selected Annual Information

	Year ended December 31, 2020	**Year ended December 31, 2019**
Operating expenses	$ 141,373	$ 35,676
Comprehensive Loss for the Year	134,046	43,071
Comprehensive Loss per Share – Basic and Diluted	(0.02)	(0.01)
Total assets	16,480	86,617
Total current liabilities	193,495	129,586
Total long-term financial liabilities	Nil	Nil

Highlights for the nine months ended September 30, 2021 and up to March 28 2022

- On February 5, 2021, Victory Capital Corp. ("Victory") and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, entered into a binding agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction of Victory by the Company, which will constitute the completion of Victory's Qualifying Transaction.

  The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 through the issuance of subscription receipts of the Company; (ii) the approval by the directors of Victory and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSX Venture Exchange.

- The Company cancelled 650,000 common shares which were considered treasury shares in relation to exploration and evaluation assets.

- On September 8, 2021, the Company entered into a loan agreement with Valsequillo Silver S.A de C.V and received $21,177 (MXN $333,500). The loan bears an interest of 7% per annum, and the outstanding principal plus accrued interest shall be repaid October 9, 2021. The maturity date has been extended to January 2022 and the additional extension on the maturity date is currently being renegotiated.

- Subsequent to the period ended September 30, 2021, the Company closed non-brokered private placements of subscription receipts for aggregate gross proceeds of approximately $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the Proposed Transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share"). During the period ended September 30, 2021, the Company received $544,868 in subscriptions received in advance which is recorded as restricted cash. In connection with the Company's private placement, the Company agreed to pay aggregate fees of $324,440 (of which $63,240 has been paid) and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders on closing.

- Subsequent to the period ended September 30, 2021, March 16, 2022, the Company entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the completion of the RTO with Victory, the Company will issue a total of 25,000,000 common shares and will pay $200,000 and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company will grant a 3% net smelter returns royalty ("NSR") over the properties.

Results of Operations

Nine months ended September 30, 2021 compared with nine months ended September 30, 2020

During the nine months ended September 30, 2021 the Company had a total comprehensive loss of $73,286 (2020 - $17,208) or $(0.01) per share (2020 - $(0.00) per share). The following discussion explains the variations in the key components of these numbers.

The significant changes in comprehensive loss from the prior period are as follows:

- Professional fees of $43,724 (2020 - $19,492) increased due to the Company incurring more services associated with the proposed transaction: the reverse-takeover transaction of Victory by the Company.
- Property investigation of $25,614 (2020 - $Nil) increased due to the Company being more active and looking for more projects.

Three months ended September 30, 2021 compared with three months ended September 30, 2020

During the three months ended September 30, 2021 the Company had a total comprehensive loss of $37,611 (2020 - $7,487) or $(0.01) per share (2020 - $0.00 per share). The following discussion explains the variations in the key components of these numbers.

The significant changes in comprehensive loss from the prior period are as follows:

- Professional fees of $15,270, (2020 - $5,397) increased due to the Company incurring more services associated with the proposed transaction: the reverse-takeover transaction of Victory by the Company.
- Property investigation of $20,409 (2020 - $Nil) increased due to the Company being more active and looking for more projects.

Summary of Quarterly Results

Results for the most recent quarters ending with the last quarter for the period September 30, 2021:

	Three Months Ended			
	September 30, 2021 $	**June 30, 2021 $**	**March 31, 2021 $**	**December 31, 2020 $**
Interest income	Nil	Nil	Nil	Nil
Net loss	(37,611)	(13,786)	(21,889)	(116,838)
Basic and diluted per share	(0.01)	(0.00)	(0.00)	(0.02)

	Three Months Ended		
	September 30, 2020 $	**June 30, 2020 $**	**March 31, 2020 $**
Interest income	Nil	Nil	Nil
Net loss	(7,487)	(8,014)	(1,707)
Basic and diluted per share	(0.00)	(0.00)	(0.00)

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses, and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen, and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

Prior to becoming a reporting issuer, the Company did not prepare quarterly financial statements, other than the Company's interim financial statement for the nine months ended September 30, 2021, six months ended June 30, 2021 and three months ended March 31, 2021, no quarterly financial information is available.

Exploration and Evaluation Asset and Expenditures Table

Below is a summary of the cumulative acquisition costs incurred by project as at September 30, 2021 as the Company did not incur any exploration and evaluation expenditures for the period ended September 30, 2021:

	La Zalamera	Rama de Oro	Riqueza Marina	Zaachila	Zapotitlan	Total
Acquisition Costs						
Opening balance, December 31, 2018	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 21,000
Additions	-	-	-	-	-	-
Impairment	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(21,000)
Closing balance, September 30, 2021, December 31, 2019 and 2020	$ -	$ -	$ -	$ -	$ -	$ -

Below is a summary of the exploration expenditures charged to profit and loss by project as at September 30, 2021:

	La Zalamera	Rama de Oro	Riqueza Marina	Zaachila	Zapotitlan	Total
Exploration expenditures						
Closing balance, December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Additions						
Assay	-	-	3,840	1,616	872	6,328
Drilling permitting	-	-	54,096	4,254	-	58,350
Equipment, field supplies and other	-	-	10,095	406	-	10,501
Geological	-	-	43,085	10,249	1,633	54,967
Geophysics	-	-	440	-	-	440
Travel	-	-	4,199	-	-	4,199
Recoveries, excluding management income	-	-	(115,755)	(16,525)	(2,505)	(134,785)
Closing balance September 30, 2021, September 30, 2020 and December 31, 2020	$ -	$ -	$ -	$ -	$ -	$ -

Below is a summary of the property investigation expenditures charged to profit and loss by project as at September 30, 2021:

	Riqueza Marina	Zaachila	Total
Property investigation			
Closing balance, December 31, 2019	$ -	$ -	$ -
Assay	2,070	1,242	3,312
Geological	19,048	3,254	22,302
Closing balance September 30, 2021,	$ 21,188	$ 4,496	$ 25,614

Liquidity and Capital Resources

To date the Company has financed its operations through the sale of its common shares and a promissory note. As at September 30, 2021 the Company had working capital of $(250,301) (December 31, 2020 - $(177,015)), comprised of $585,546 (December 31, 2020 -$16,480) in current assets and $835,847 (December 31, 2020 - $193,495) in current liabilities. During the nine-month period ended September 30, 2021, no share capital transactions took place other than the cancelled 650,000 common shares, these shares were previously treasury shares in relation to exploration and evaluation assets. During the year ended December 31, 2020, the Company issued 100,000 shares relating to private placements resulting in net proceeds of $15,000.

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Common Shares to finance its business operations. The Company expects to raise additional funds through public or private equity funding, joint venture arrangements, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

Recent Developments and Outlook

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Property Overviews

Mexico Properties

On April 13, 2017, the Company entered into an option agreement ("Option Agreement") with OZ Exploration Pty Ltd.("OZ Minerals") and Minera Zalamera S.A. de C.V. ("Zalamera"), a company related by virtue of common directors, pursuant to which Zalamera granted an exclusive option to the Company and OZ Minerals, together as optionees, to acquire the Zaachila, Riqueza Marina and Zapotitlan Projects in Oaxaca, southern Mexico.

Under the Option Agreement, the Company and OZ Minerals could earn up to a 100% interest in the projects for cash and share consideration. The Company issued 350,000 common shares, valued at $21,000 and placed 650,000 common shares into escrow. These shares were cancelled in the nine month period end September 30, 2021.

During the year ended December 31, 2019, OZ Minerals withdrew from the Option Agreement with the Company and Zalamera as a result the Company recorded an impairment of exploration and evaluation assets in the amount of $21,000.

Subsequent to the period ended September 30, 2021, March 16, 2022, the Company entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the completion of the RTO with Victory, the Company will issue a total of 25,000,000 common shares and will pay $200,000 and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company will grant a 3% net smelter returns royalty ("NSR") over the properties.

During the period ended September 30, 2021, the Company incurred exploration and evaluation expenditures of $Nil (September 30, 2020 -$134,785) and received $Nil (September 30, 2020 - $134,785) as recoveries. Additionally, the Company incurred property investigation costs of $25,614 (September 30, 2020-$Nil).

During the period ended September 30, 2021, the Company received $Nil (September 30, 2020 - $7,327) as management income equal to 10% of all expenditures incurred on the properties as the Company acted as the manager associated with the properties.

The Riqueza Marina-Zaachila project (RQMZ) consists of four exploration concessions in two distinct blocks, Riqueza Marina and Zaachila, within an underexplored, and minimally understood, volcanogenic massive sulfide (VMS) district in southern Oaxaca, Mexico. The concessions cover a cumulative area totaling 15,308 Hectares.

The RQMZ project is situated in close proximity to the southern Pacific coast of Mexico and is surrounded by First World infrastructure and has available a broad array of resources, especially energy and manpower. Two major population and economic centers, Tehuantepec and Salina Cruz, are located within 15 to 45 minutes of the project area, respectively. Salina Cruz, the nearby coastal port, experiences a tropical savanna climate. Monsoonal moisture dominates the region from May to October while November to March the precipitation is much less.

The mineral potential of the Riqueza Marina project area was first recognized by David M Jones over a period of years in the early 2000's. Prior to this time, there is no record of mineral exploration in the project areas.

In 2013 world-renowned VMS expert Dr. Jim Franklin was invited for a field review of the Zaachila and Riqueza Marina projects and confirmed their potential to host Noranda-style deposits in a written report. (Dr. Franklin has since agreed to become a Technical Advisor to the Company).

The central western Cretaceous cordilleran region of Mexico is highly prospective for massive sulfide deposits. The Santa Marta VMS deposit (Minaurum Gold Corp.), located in Eastern Oaxaca and about 150 km east of the Riqueza Marina - Zaachila concessions, shares many similarities to the VMS occurrences observed in the RQMZ project area. Similar geologic settings with probable VMS deposits in Cretaceous rocks have been identified in Mexico at two major districts: Campo Morado (Guerrero) and San Nicolas (Zacatecas).

Copper-gold mineralization contained within the RQMZ area, as well as the Santa Marta project to the east, have been interpreted to represent the oxidized portions of volcanogenic massive sulfide deposits (VMS), a genetic class of mineral deposits. VMS deposits are strata-bound accumulations of sulfide minerals that precipitated at or near the sea floor in spatial, temporal and genetic association with contemporaneous mineralization. By definition, the deposits consist of two parts: a concordant massive sulfide lens (>60% sulfide minerals), and discordant vein-type mineralization located mainly in the footwall strata, commonly referred to as the stringer or stockwork zone.

Extensive exposures of oxidized copper-gold mineralization at RQMZ are interpreted as manifestations of sub-surface mineral deposits. Litho-geochemical studies have confirmed a chemical environment consistent with a 'productive' VMS camp. The employment of geophysics over several of these prospects corroborates these suspicions with both gravity and magnetic data. Although additional surface studies are proposed below, drilling at RQMZ is clearly justified and recommended.

Based upon the Author's visit to the RQMZ project in September 2020 and discussions with Mr. David Jones, several recommendations for additional work over a 6 to 9 month period at an estimated cost US$1.175 M.

Riqueza Marina and Zaachila Exploration History						
Years			2000-2003	2006-2008	2012-2013	2017-2019
Riqueza Marina	Geology	Observations	1	5	109	2053
	Geochemistry	StreamSeds	0	0	46	0
		Rock	6	0	200	668
		Soil (NitonXRF)	0	0	0	740
	Geophysics	Gravity	-	-	-	754 stations
		GroundMag	-	-	-	63 line-km's
Zaachila	Geology	Observations	29	9	16	1756
	Geochemistry	StreamSeds	0	10	31	0
		Rock	0	26	124	179
		Soil (NitonXRF)	0	0	0	26
	Geophysics	Gravity	-	-	-	370 stations
		GroundMag	-	-	-	33 line-km's

Qualified Person statement

Rob Johansing, M.S., a Qualified Person as defined by National Instrument 43-101, prepared the information that forms the basis for this written disclosure.

<u>Risk Factors</u>

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Acapulco will require additional funding.

As at September 30, 2021, the Company held cash of $38,147, restricted cash of $544,868, accounts payable and accrued liabilities of $169,802, promissory note of $100,000 and a loan of $21,177. The Company does not have any source of revenue will require additional funding and has historically relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Acapulco is subject to government regulation.

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. 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 authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Acapulco may be adversely affected by fluctuations in metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Infrastructure

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its projects and could result in higher costs.

Acapulco does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Acapulco may be subject to disputes.

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company.

Acapulco is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

Acapulco's officers and directors may have potential conflicts of interest.

Acapulco's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of the Company's time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

The operations of the Company will require licences and permits from various governmental and nongovernmental authorities. the Company intends to obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and extraction operations on its mining properties.

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the mining property to be purchased by the Company. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Title to mineral property

The mineral property interests acquired by the Company may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third party claims such as First Nations claims, affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop and extract any ore on that property, without compensation for its prior expenditures relating to such property.

Potential Political, Social and Economic Instability in Mexico

The principal mineral property interests of the Company are located exclusively in Mexico. Although the Company believes that the current conditions in Mexico are relatively stable and conducive to conducting business, the Company's current and future mineral exploration and mining activities could be impacted by adverse political or economic developments. Such adverse developments may include obstruction of surface access to the land, the imposition of unfavourable government regulations on foreign investment, production and extraction limitations, prices, exports, income taxes, expropriation of property, environmental compliance and worker safety.

Reputational risk

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the Company and the price of the Company's securities.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at September 30, 2021 and to the date of this MD&A.

Proposed Transactions

On February 5, 2021, Victory Capital Corp. ("Victory") and 1287878 B.C. Ltd., a wholly-owned subsidiary of Victory, entered into a binding agreement with the Company, in respect of the completion of an arm's length reverse-takeover transaction of Victory by the Company, which will constitute the completion of Victory's Qualifying Transaction.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing for gross proceeds of a minimum of $2,500,000 through the issuance of subscription receipts of the Company; (ii) the approval by the directors of Victory and the Company of the Proposed Transaction and the matters related therein; and (iii) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSXV.

Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value. As at March 28, 2022, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	6,744,104		

Subsequent to the period ended September 30, 2021, the Company closed a non-brokered private placement of subscription receipts for aggregate gross proceeds of approximately $4,043,000 through the issuance of 20,215,000 subscription receipts at a price of $0.20. Upon the closing of the Proposed Transaction, the Company's subscription receipts will be automatically exchanged for one common share of the Company (a "Company Common Share"), and subsequently each Company Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share"). During the period ended September 30, 2021, the Company received $544,868 in subscriptions received in advance which is recorded as restricted cash. In connection with the Company's private placement, the Company agreed to pay aggregate fees of $324,440 (of which $63,240 has been paid) and issue finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Company's private placement to certain qualified finders on closing.

No stock options or share purchase warrants were issued during the nine-month perioded ended September 30, 2021 and year ended December 31, 2020.

Escrow Shares

The Company advanced 650,000 common shares into escrow pursuant to a property agreement . These shares were previously treated as treasury shares and have been excluded from total shares outstanding. These shares were cancelled during the nine-month period ended September 30, 2021.

Transactions with Related Parties

Key management personnel includes 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 consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim consolidated financial statements:

	For the period ended September 30,	
	2021	**2020**
	$	**$**
Professional fees	9,000	9,000
Exploration and evaluation expenditures netted against recoveries	-	17,673
	9,000	26,673

As at September 30, 2021, $53,800 (December 31, 2020 - $ 50,400) was included in accounts payable and accrued liabilities owing to directors of the Company.

Accounting Policies and Estimates

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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;

The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets; and

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and

The determination of functional currency of the Company and its subsidiary

Financial Instruments and Risk Management

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, accounts payable and accrued liabilities, loan and promissory note approximates fair value due to the short term nature of the financial instruments. Cash and restricted cash are valued at a level 1 fair value measurement.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a)Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any demand deposit included in cash as they are generally held with large financial institutions. The Company is not exposed to significant interest rate risk.

b)Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' deficiency.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Approval

The Board of Directors of Acapulco has approved the disclosure contained in this MD&A.

HEAD OFFICE

Acapulco Gold Corp.
103-145 15th Street West
West Vancouver, British Columbia
V7M 1R9
Canada

OFFICERS & DIRECTORS

Michael Williams
CEO and Director

Wayne Cahill
Chief Financial Officer

John Larson
Director

Victor Webb
Director

CAPITALIZATION
(as at March 28, 2022)

Shares Authorized: Unlimited Common Shares
Shares Issued: 6,744,104

REGISTRAR & TRUST AGENT

Odyssey Trust Co
409 Granville St.
Vancouver, BC V6C 1T2
Canada

AUDITOR

Davidson and Company LLP
1200 – 609 Granville Street
Vancouver, BC V7Y 1G6
Canada

LEGAL COUNSEL

DuMoulin Black LLP
10th Floor – 595 Howe Street
Vancouver, BC V6C 2T5
Canada

SCHEDULE “E”

Unaudited *pro forma* financial statements of the Resulting Issuer as of September 30, 2021.

Vortex Metals Inc.
(formerly Victory Capital Corp.)

Pro−Forma Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars, except where specified otherwise)

September 30, 2021

Vortex Metals Inc. (formerly Victory Capital Corp.)

Pro−Forma Consolidated Statement of Financial Position
(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

ASSETS	Vortex Metals Inc. (formerly Victory Capital Corp.) **As at September30, 2021**	Vortex Holding Ltd. (formerly Acapulco Gold Corp.) **As at September 30, 2021**	Note	Pro-forma Adjustment	Pro-forma Consolidated **As at September 30, 2021**
	$	$		$	$
Current					
Cash	180,801	38,147	3 (a)	(300,000)	3,354,649
			3 (b)	4,332,000	
			3 (b)	(346,560)	
			3(c)	(232,000)	
			3(c)	(317,739)	
Restricted cash	-	544,868	3(b)	(544,868)	-
Loan receivable	101,782	-	3(a)	75,000	-
			3(e)	(176,782)	
Trade and other receivables	-	2,531		-	2,531
	282,583	**585,546**		**2,489,051**	**3,357,180**
Exploration and evaluation assets	-	-	3(c)	5,517,739	5,517,739
	282,583	**585,546**		**8,006,790**	**8,874,919**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	87,372	169,802	3(e)	(1,535)	223,639
			3(c)	(32,000)	
Loan	-	21,177		-	21,177
Promissory note	-	100,000	3(a)	75,000	-
			3(e)	(175,000)	-
Subscriptions received in advance	-	544,868	3 (b)	(544,868)	-
	87,372	**835,847**		**(678,403)**	**244,816**
Shareholders' equity (deficiency)					
Share capital	767,579	685,946	3(a)	(767,579)	10,825,330
			3(a)	1,017,750	
			3(a)	317,441	
			3(b)	3,804,193	
			3(c)	5,000,000	
Reserves	80,877	-	3 (a)	(80,877)	904,649
			3 (a)	8,672	-
			3 (b)	181,247	
			3 (d)	714,730	
Deficit	(653,245)	(936,247)	3(a)	653,245	(3,099,876)
			3 (a)	(831,211)	
			3 (a)	(617,441)	
			3 (e)	(247)	
			3 (d)	(714,730)	
	195,211	**(250,301)**		**8,685,193**	**8,630,103**
	282,583	**585,546**		**8,006,790**	**8,874,919**

The accompanying notes are an integral part of these unaudited pro-forma consolidated financial statements.

1 PROPOSED ARRANGEMENT

The accompanying unaudited pro-forma consolidated financial statements of Vortex Metals Inc. (formerly Victory Capital Corp.) ("Vortex" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the consolidated financial statements of Vortex and the consolidated financial statements of Vortex Holding Ltd. (formerly Acapulco Gold Corp.) ("VHL") using the same accounting policies as described in VHL's annual consolidated financial statements together with other information available to the Company. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in the filing statement in conjunction with the Reverse Takeover of Vortex (as defined below).

(a) Merger Agreement

Vortex has entered into a binding merger agreement effective on February 5, 2021 (the "Merger Agreement") with VHL and the shareholders of VHL(the "VHL Shareholders") to acquire all of the outstanding shares of VHL, a corporation incorporated under the Business Corporations Act (British Columbia) (the "Transaction"). VHL is arm's-length to Vortex and is engaged in the acquisition and exploration of resource properties. The proposed Transaction will constitute the completion of Vortex 's Qualifying Transaction (as such term is defined in Policy 2.4 – Capital Pool Companies of the Corporate Finance Manual ("Policy 2.4") of the TSX Venture Exchange (the "Exchange")). The Merger Agreement among Vortex , VHL and the VHL Shareholders will result in a reverse takeover of Vortex by the VHL Shareholders (the "Reverse Takeover").

(b) Concurrent Financing

Concurrent with or prior to closing of the Transaction, VHL will complete a private placement of VHL common shares or securities convertible into Vortex Shares at a price of $0.20 per VHL common share or security (the "Concurrent Financing"). Each VHL common share or security issued pursuant to the Concurrent Financing will be exchanged for one Resulting Issuer Share upon completion of the Transaction.

c) Acquisition of Exploration and Evaluation Assets

On March 16, 2022, VHL entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the RTO, VHL will issue a total of 25,000,000 common shares and will pay $200,000 cash and settle $32,000 in expenses incurred in relation to the properties. Upon completion of the environmental impact assessment study and receipt of drill permits the Resulting Issuer will pay $300,000 over 38 months from the listing date. Once the first set of core samples are obtained the Resulting Issuer will pay an additional $150,000. The Resulting Issuer will grant a 3% net smelter returns royalty ("NSR") over the properties.

1 PROPOSED ARRANGEMENT (cont'd)

(d) Conditions to Closing the Transaction and Required Approvals

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to (i) the completion of a Concurrent Financing by VHL; (ii) the acquisition by VHL of exploration and evaluation assets: (iii) the approval by the shareholders; and (iv) receipt of all requisite regulatory, Exchange, court or governmental authorizations and third-party approvals.

2 BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements have been prepared by management to give effect to (i) the Merger Agreement, (ii) the Concurrent Financing, and (iii) the acquisition of exploration and evaluation assets. In the opinion of management, the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 1 in accordance with IFRS (see Note 3 "Pro Forma Assumptions and Adjustments").

The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position that would have occurred if the transactions had taken place on the dates indicated or of the financial position which may be obtained in the future. The unaudited pro-forma consolidated financial statements are not a forecast or projection of future results. The actual financial statements and results of Vortex for any period following September 30, 2021 will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

The unaudited pro-forma consolidated financial statements should be read in conjunction with:

(a) Vortex 's condensed interim consolidated financial statements for the nine-month period ended September 30, 2021.

(b) VHL's audited consolidated financial statements as at December 31, 2020 and condensed interim consolidated financial statements for the nine-month period ended September 30, 2021.

(c) The additional information set out in Note 3.

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated financial statements incorporate the following pro-forma assumptions and adjustments to give effect to the transactions described in Note 1 and other transactions described below as if they had occurred on September 30, 2021 in the case of the unaudited pro-forma consolidated statement of financial position:

a. Reverse takeover accounting

The Company will complete a reverse takeover transaction ("RTO") pursuant to the Merger Agreement in which Vortex acquires VHL. For accounting purposes, VHL is deemed to be the accounting acquirer in such reverse takeover transaction. The net assets of Vortex are acquired at fair value at September 30, 2021.

The Transaction will be accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment" as Vortex did not qualify as a business according to the definition in IFRS 3. Accordingly, VHL will be the continuing entity and the total purchase price is allocated to the assets acquired and liabilities assumed based on their respective fair values with excess allocated to charge to RTO listing fee.

Replacement options of Vortex will be issued in the amount of 101,775 and are valued at $8,672. The fair value of the replacement options are estimated on the grant date using the Black-Scholes option model with the following weighted average variables: share price of $0.20, risk-free interest rate of 0.52%, expected option life of 1.25 years, expected stock price volatility of 100% and expected dividend rate of 0%. Each replacement option gives the holder the right to purchase one common share at an exercise price of $0.20 and for a period of 15 months following the release date.

The allocation of estimated consideration transferred is summarize as follows:

Purchase Price	$
Fair value of the common shares of the resulting issuer held by Vortex valued using the concurrent financing price.	
Common shares	1,017,750
Replacement options	8,672
Purchase price	1,026,422
Allocation of purchase price:	
Cash *	105,801
Loan receivable *	176,782
Accounts payable and accrued liabilities	(87,372)
Net assets acquired	195,211
Charge to RTO listing fee	831,211

**Transaction expenses are estimated to be $300,000 in cash and $317,441 as the fair value of 1,587,205 finders shares valued using the concurrent financing share price which will be charged to RTO listing fee on completion of the transactions. Shareholders' equity of Vortex is eliminated on completion the RTO.

* Subsequent to September 30, 2021, Vortex loaned an additional $75,000 to VHL and Vortex's September 30, 2021 cash and loan receivable have been increased by this amount.

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd)

b. Concurrent Financing

VHL and the Vortex have closed their concurrent non brokered private placements of subscription receipts. VHL closed a private placement of subscription receipts (the "VHL Subscription Receipts") for aggregate gross proceeds of approximately $4,043,000 through the issuance of 20,215,000 VHL Subscription Receipts at a price of $0.20 per VHL Subscription Receipt (the "VHL Private Placement"). The VHL Private Placement took place concurrently with the private placement of subscription receipts by Vortex (the "Vortex Subscription Receipts" and together with the VHL Subscription Receipts, the "Subscription Receipts") for aggregate gross proceeds of approximately $289,000 through the issuance of 1,445,000 Vortex Subscription Receipts at a price of $0.20 per Vortex Subscription Receipt (the "Vortex Private Placement" and collectively with the VHL Private Placement, the "Private Placement"). Upon the closing of the RTO, the VHL Subscription Receipts will be automatically exchanged for one common share of VHL (a "VHL Common Share"), and subsequently each VHL Common Share will be automatically exchanged for one common share in the capital of the Company referred to as the "Resulting Issuer" (a "Resulting Issuer Share"). Upon the closing of the RTO, each Vortex Subscription Receipt will be automatically exchanged for one Resulting Issuer Share.

In connection with the VHL Private Placement, VHL paid aggregate fees of $323,440 and issued finders' warrants to purchase 1,617,200 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the VHL Private Placement to certain qualified finders. In connection with the Vortex Private Placement, Vortex paid aggregate fees of $23,120 and issued finders' warrants to purchase 115,600 Resulting Issuer Shares at a price of $0.20 per Resulting Issuer Share exercisable for a period of 24 months from the date of closing of the Vortex Private Placement to certain qualified finders. The fair value of the 1,732,800 finders' warrants are estimated on the grant date using the Black-Scholes option model valued at $181,247, with the following weighted average variables: share price of $0.20, risk-free interest rate of 0.52%, expected life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%.

As at September 30, 2021, VHL had received $544,868 in subscriptions receipts in relation to the VHL Private Placement which has been included in gross proceeds of $4,332,000.

c. Exploration and evaluation acquisition

On March 16, 2022, VHL entered into an amended and restated agreement of purchase and sale with Zalamera in relation to the the Riqueza Marina Project, Zaachila Project and the Rescate Project each located in Mexico. Immediately preceding the completion of the RTO, VHL will issue a total of 25,000,000 common shares valued at $5,000,000 and will pay $200,000 for the acquisition of the exploration and evaluation assets and pay out $32,000 in accounts payable and accrued liabilities incurred in relation to the properties. Additionally, the Company will pay outstanding mining taxes of USD$250,000 is estimated to be $317,739 using an exchange rate of $1.27095 and paid on closing.

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd)

d. Granting of stock options

The Resulting Issuer granted 4,805,325 stock options with an exercise price $0.20 per share with an expiry of 5 years, valued at $714,730 and included in reserves. The fair value of the options granted are estimated on grant date using Black-Scholes option model using the following weighted average variables: share price of $0.20, risk-free interest rate 1.11%, expected option life in year – 5 years, expected stock price volatility 100% and expected dividend rate of 0%.

e. Elimination of intercompany

Intercompany transactions between Vortex and VHL have been eliminated. Any differences have been allocated to deficit. Subsequent to September 30, 2021, Vortex advance an additional amount of $75,000 to VHL, this has been adjusted within the pro forma and has no impact to cash and intercompany transactions are eliminated.

4 SHARE CAPITAL AND RESERVES

Equity

Authorized:

Unlimited common shares without par value.

Issued:

	Capital Stock		
	Number of shares	Amount in $	Reserve
Share capital of VHL as at September 30, 2021	6,744,104	$ 685,946	$ -
VHL share issuance for mineral property interest (Note 3(c))	25,000,000	5,000,000	-
Acquisition of shares of VHL by Vortex pursuant to the reverse take-over (Note 3 (a))	(31,744,104)	-	-
Share capital of Vortex as at September 30, 2021	5,088,750	767,579	80,877
Concurrent Financing (Note 3(b))	21,660,000	4,332,000	-
Finder fees paid in cash on Concurrent Financing (Note 3(b))	-	(346,560)	-
Finders warrants on Concurrent Financing (Note 3(b))	-	(181,247)	181,247
Elimination of equity of Vortex pursuant to the reverse take-over (Note 3(a))	-	(767,579)	(80,877)
Shares issued in relation to reverse take-over (Note 3(a))	31,744,104	1,017,750	8,672
Share-based payment (Note 3(d))	-	-	714,730
Finders fees (Note 3(a))	1,587,205	317,441	-
Balance, September 30, 2021	**60,080,059**	**$ 10,825,330**	**$ 904,649**

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

4 SHARE CAPITAL AND RESERVES(cont'd)

Stock options

As at September 30, 2021, the following stock options were outstanding:

Number of options	Weighted Average Exercise Price	Expiry Date
101,775	$ 0.20	December 13, 2022
4,805,325	$ 0.20	September 30, 2026
4,907,100		

Finders' Warrants

As at September 30, 2021, the following share purchase warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
1,732,800	$ 0.20	September 30, 2023

5 INCOME TAXES

The pro-forma effective income tax rate that will be applicable to the operations of the resulting issuer of 27%