Condensed Consolidated Interim Financial Statements

Vortex Metals Inc.
(formerly Victory Capital Corp.)

For the Three Months Ended March 31, 2022 and 2021

(Stated in Canadian Dollars)

Unaudited

INDEX

Vortex Metals Inc.

(formerly Victory Capital Corp.)

Condensed Consolidated Interim Statements of
Financial Position as at March 31, 2022 and December 31, 2021
Stated in Canadian Dollars

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash	$ 52,196	$ 264,092
Funds held in trust (notes 6 and 12)	289,000	289,000
Loan receivables (note 12)	157,467	128,583
	$ 498,663	$ 681,675
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 386,998	$ 424,304
Other payables (note 6)	-	110,010
	386,998	534,314
Shareholders' Equity		
Issued Capital (note 5)	755,488	755,488
Subscribed Shares (notes 6 and 12)	258,535	258,535
Contributed Surplus (note 7)	147,903	147,903
Deficit	(1,050,261)	(1,014,565)
	111,665	147,361
	$ 498,663	$ 681,675

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

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

Approved on Behalf of the Board

Signed "Vikas Ranjan", Director

Signed "John Larson", Director

Vortex Metals Inc.

(formerly Victory Capital Corp.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2022 and 2021
Stated in Canadian Dollars

	Three Months ended March 31, 2022	Three Months ended March 31, 2021
Expenses		
Bank charges	$ 133	$ 117
Consulting fees	21,450	21,450
Filing fees	6,879	5,522
Professional fees	9,238	112,599
	37,700	139,688
Other Expense (Income)		
Interest income	(2,004)	(357)
Net Loss and Comprehensive Loss for the Period	$ (35,696)	$ (139,331)
Loss per Share - basic and diluted	$ (0.01)	$ (0.03)
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 condensed consolidated interim financial statements.

Vortex Metals Inc.

(formerly Victory Capital Corp.)

Condensed Consolidated Interim Statements of Changes in Equity

For the Three Months Ended March 31, 2022 and 2021

Stated in Canadian Dollars

	Issued Capital									
	Shares		Amount	Subscribed shares		Contributed Surplus		Deficit		Total Equity
Balance - January 1, 2021	5,088,750	$	767,579	-	$	80,877	$	(440,758)	$	407,698
Net loss for the period	-		-	-		-		(139,331)		(139,331)
Balance - March 31, 2021	5,088,750	$	767,579	-	$	80,877	$	(580,089)	$	268,367
Balance - January 1, 2022	5,088,750	$	755,488	258,535	$	147,903	$	(1,014,565)	$	147,361
Net loss for the period	-		-	-		-		(35,696)		(35,696)
Balance - March 31, 2022	5,088,750	$	755,488	258,535	$	147,903	$	(1,050,261)	$	111,665

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

Vortex Metals Inc.

(formerly Victory Capital Corp.)

Condensed Consolidated Interim Statements of Cash Flow
For the Three Months Ended March 31, 2022 and 2021
Stated in Canadian Dollars

	Three Months ended March 31, 2022	Three Months ended March 31, 2021
Operating Activities		
Net loss for the period	$ (35,696)	$ (139,331)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(37,306)	123,401
	(73,002)	(15,930)
Investing Activities		
Loan receivables	(28,884)	(10,357)
	(28,884)	(10,357)
Financing Activities		
Due to Acapulco	(110,010)	-
	(110,010)	-
Change in Cash	(211,896)	(26,287)
Cash - beginning of period	264,092	426,284
Cash - end of period	$ 52,196	$ 399,997

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

1. Nature of Operations

Vortex Metals Inc., formerly, Victory Capital Corp. (the "Company" or “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 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 12)

The Company has filed a filing statement that is dated effective March 31, 2022 (the "Filing Statement") with the Exchange and on the Company’s SEDAR profile. The Company has announced the closing of the Qualifying Transaction resulting in the reverse takeover of the Company by Acapulco on April 27, 2022.

In connection with the closing of the Qualifying Transaction, the Company changed its name from “Victory Capital Corp.” to “Vortex Metals Inc.”.

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 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.

2. Significant Accounting Policies

Statement of Compliance

The Company's condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim 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, 2021 and were approved by the Company's Board of Directors on May 24, 2022.

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.

Comparative Figures

Certain comparative figures have been restated where necessary to conform with current period presentation.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of these condensed consolidated interim 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 condensed consolidated 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.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Deferred tax liabilities and assets
Deferred tax liabilities and assets are measured at tax rates expected to apply in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information.

The measurement of liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

3. Significant Accounting Judgements, Estimates and Assumptions (Continued)

Share-based compensation
The Company recognizes compensation expense on options granted. Compensation expense is based on the estimated fair value of each option at its grant date, the estimation of which requires management to make assumptions about future volatility of the Company's stock price, future interest rates, future forfeiture rates and the timing with respect to exercise of the options. The effects of a change in one or more of these variables could result in a materially different fair value.

Finders' warrants
The Company estimated the fair value of the finders' warrants based on the management's assumptions about future volatility of the Company's stock price, future interest rates, and the timing with respect to exercise of the warrants. The effects of a change in one or more of these variables could result in a materially different fair value.

Going concern
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its investment projects and working capital requirements.

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 $3,000 per month on administrative and general expenses of the Corporation, with no cumulative maximum. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange Policy 2.4.

5. Issued Capital

The Company is authorized to issue an unlimited number of common shares with no par value. As of March 31, 2022 and December 31, 2021, there was 5,088,750 common shares outstanding.

There were no share capital transactions during the three months ended March 31, 2022 and 2021. Shares held in escrow as of March 31, 2022 were 1,200,000 shares (December 31, 2021 – 1,200,000 shares). These shares held in escrow are related to 2016 share Offering and are subject to a CPC Escrow Agreement.

6. Subscribed Shares

In October 2021, for the purpose of completing the proposed reverse takeover transaction of Acapulco Gold Corp. ("Acapulco") by the Company (the "Proposed Transaction"), which will result in Acapulco becoming a wholly-owned subsidiary of Victory (after completion of the Proposed Transaction, the "Resulting Issuer"), concurrently with the private placement of subscription receipts (the "Acapulco Private Placement") by the Acapulco, the Company closed a private placement of subscription receipts (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"). (See note 12)

Upon the closing of the Proposed Transaction, each Victory Subscription Receipt will be automatically exchanged for one Resulting Issue Share.

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.

As of March 31, 2022 and December 31, 2021, the net proceeds of $289,000 was recorded as subscription receivable on the Company's Condensed Consolidated Statements of Financial Position. The Company recorded $258,535 as subscribed shares after deducing the related issuance costs in the Company's shareholders' equity.

Part of the proceeds from Acapulco Private Placement amounted to $110,010 was deposited to the Company's bank account and was recorded as other payable on the Company's Consolidated Statements of Financial Position as of December 31, 2021. This amount was returned to Acapulco in January 2022.

Stated in Canadian Dollars

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

On November 30, 2021, the Company cancelled 305,325 outstanding stock options held by former directors, and granted an aggregate of 305,325 stock options to certain directors of the Company to purchase 305,325 common shares in the capital of the Company pursuant to the Company's stock option plan. These options vest immediately and are exercisable at an exercise price of $0.20 per share with the expiry date of November 30, 2026. The Company has also extended the maturity date of the remaining outstanding 101,775 stock options granted in 2019 from December 8, 2022 to December 8, 2027.

The fair value of the granted options in November 2021 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	0.44%
Expected life	5 years
Expected volatility	100%
Share price	$0.20

As of March 31, 2022 and December 31, 2021, the Company had 407,100 outstanding vested stock options with an exercise price of $0.20 per share.

8. Warrants

During the year ended December 31, 2021, and in connection with the Victory Private Placement (See Note 12), 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 115,600 finders' warrants is estimated on the grant date using the Black-Scholes option model valued at $12,090, with the following weighted-average variables: risk-free interest rate of 0.51%, expected life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%.

As of March 31, 2022, these warrants have a weighted average remaining term over 1.58 years with an exercise price of $0.20.

9. 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 March 31, 2022 and December 31, 2021, the Company’s cash was classified as Level 1 measurement. As at March 31, 2022 and December 31, 2021, the Company had no financial instruments classified at Level 2 and Level 3.

Fair Values

Except as disclosed elsewhere in these condensed consolidated 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 at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. 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.

9. Financial Instruments and Other Risks (Continued)

Market Risk (continued)

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 financial instruments 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.

Credit Risk

As at March 31, 2022 and December 31, 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 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 condensed consolidated statements of financial position are highly liquid. As at March 31, 2022, the Company had current assets of $498,663 (December 31, 2021 - $681,675) to settle current liabilities of $386,998 (December 31, 2021 - $534,314).

10. Capital Disclosures

As at March 31, 2022 and December 31, 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 three months ended March 31, 2022.

11. Related Party Transactions

During the three months ended March 31, 2022, the Company incurred consulting fees of totaling $9,450 (2021 – $9,450) payable to Pan-Pacific Supreme Enterprises Ltd., a company related to one of the Company's directors. As at March 31, 2022 and December 31, 2021, $56,700 and $47,250 were outstanding and included in accounts payable and accrued liabilities, respectively.

12. Qualifying Transaction and Subsequent Events

Qualifying Transaction

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.

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.

The Company has filed a filing statement that is dated effective March 31, 2022 (the "Filing Statement") with the Exchange and on the Company's SEDAR profile. The Company has announced the closing of the Qualifying Transaction resulting in the reverse takeover of the Company by Acapulco on April 27, 2022.

12. Qualifying Transaction and Subsequent Events (Continued)

Qualifying Transaction (continued)

In connection with the closing of the Qualifying Transaction, the Company changed its name from "Victory Capital Corp." to "Vortex Metals Inc.".

On May 9, 2022, the TSX Venture Exchange (the "TSXV") has published its final exchange bulletin in connection with the Company's previously announced Qualifying Transaction resulting in the reverse takeover of the Company by Acapulco.

Bridge Loans

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.

The loan 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.

On August 16, 2021, the 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 November 2021, the payback date was amended to the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) March 31, 2022.

In October, 2021, the Company agreed to provide additional secured bridge loan in the aggregate amount of up to $125,000 for working capital purposes (the "Additional Bridge Loan"). This Additional Bridge Loan is subject to the approval of the Exchange and is in addition to the initial secured bridge loan extended by Victory to Acapulco in the amount of $100,000. The Additional Bridge Loan bears an interest rate of 6% per annum and the outstanding principal plus accrued interest shall be payable back on the earlier of: (i) receipt of final approval of the Exchange for the Proposed Transaction; and (ii) December 31, 2021.

In March, 2022, the Company further amended the loan payback date to the earlier of (i) receipt of final approval of the TSXV for the Proposed Transaction; and (ii) July 31, 2022.

As of March 31, 2022, the Company advanced total bridge loans of $151,880 (December 31, 2021 - $125,000) to Acapulco.

For the three months ended March 31, 2022 and 2021, the Company recorded interest income of $2,004 and $357, respectively, in connection with these bridge loans. As of March 31, 2022 and December 31, 2021, the Company had loan receivable balance of $157,467 and $128,583, respectively.

12. Qualifying Transaction and Subsequent Events (Continued)

Private Placements

In October 2021, the Company closed a private placement of subscription receipts (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").

The Victory Private Placement took place concurrently with the private placement of subscription receipts by Acapulco (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").

Concurrent with the completion of the Qualifying Transaction, the Subscription Receipts were converted into an aggregate of 21,660,000 common shares in the capital of the Resulting Issuer ("Resulting Issuer Shares").

On completion of the Qualifying Transaction, certain Principals of the Resulting Issuer holding an aggregate of 4,547,994 Resulting Issuer Shares are subject to escrow in accordance with Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions of the Exchange ("Policy 5.4").