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TSX Venture Exchange: VIC.P

VICTORY CAPITAL ENTERS INTO LETTER OF INTENT TO COMPLETE QUALIFYING TRANSACTION WITH ACAPULCO GOLD CORPORATION

November 25, 2020 – *Toronto, Ontario* – Victory Capital Corp. (“**Victory**”) is pleased to announce that it has entered into a letter of intent dated November 24, 2020 (the “**LOI**”) with Acapulco Gold Corporation (“**Acapulco**”) pursuant to which Victory proposes to acquire all of the issued and outstanding securities of Acapulco in exchange for the issuance of securities of Victory, which will result in Acapulco becoming a wholly-owned subsidiary of Victory (the “**Acapulco Transaction**”). The Acapulco Transaction, assuming the completion of the Private Placement (as defined below), will result in a reverse take-over of Victory where the existing shareholders of Acapulco will own a majority of the outstanding common shares of Victory (the “**Victory Common Shares**”) and Victory will be renamed to such name as determined by Acapulco (the “**Resulting Issuer**”). Upon completion of the Acapulco Transaction, it is anticipated that the Resulting Issuer will be a Tier 2 - Mining Issuer.

Trading in the Victory Common Shares has been halted and will remain halted until such time as all required documentation in connection with the Acapulco Transaction has been filed with and accepted by the TSXV and permission to resume trading has been obtained from the TSXV.

Summary of the Proposed Qualifying Transaction

The LOI contemplates that Victory and Acapulco will negotiate and enter into a definitive agreement in respect of the Acapulco Transaction on or before December 30, 2020 (the “**Definitive Agreement**”), pursuant to which it is anticipated that Victory 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 Victory by Acapulco. The Acapulco Transaction will be structured as a share exchange, plan of arrangement, amalgamation or other form of business combination based on the advice of the parties’ respective advisors and taking into account various securities, tax, operating and other considerations.

Victory is a capital pool company and intends that the Acapulco Transaction will constitute its “Qualifying Transaction” under the policies of the TSXV. The Acapulco Transaction will not constitute a non-arm’s length Qualifying Transaction or a related party transaction pursuant to the policies of the TSXV.

Bridge Loan

Subsequent to the execution of the LOI and the approval of the TSXV, Victory 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.

Concurrent Financing

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.

Significant Conditions to Closing

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.

It is anticipated that subsequent to entering into the Definitive Agreement, Victory will issue a further press release which will be additional information in accordance with the requirements of Policy 2.4

Sponsorship

Sponsorship of a Qualifying Transaction is required by the TSXV unless a waiver from the sponsorship requirement is obtained. Victory intends to apply for a waiver from sponsorship for the Acapulco Transaction. There is no assurance that a waiver from this requirement will be obtained.

About Acapulco

Acapulco Gold Corp, and its wholly owned Mexico subsidiary Minera Acagold S.A. de C.V., is a private corporation which has entered into an agreement for 100% interest in two drill-ready high-potential copper-gold volcanogenic massive sulfide (VMS) properties (*Riqueza Marina* and *Zaachila*) in the state of Oaxaca, and a third high-potential gold property (*El Rescate*) in the state of Puebla. The Oaxaca projects incorporate the most 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 (see <https://www.minaurum.com/news/2013/minaurum-receives-report-from-dr-james-franklin-on-the-santa-marta-vms-project/>). The Oaxacan VMS belt is similar to the geology of other deposits

in Mexico such as Campo Morado mine (Guerrero) and San Nicholas (Zacatecas), and is reported by expert Dr. Jim Franklin as having characteristics similar to the world-class Noranda camp of Canada.

The El Rescate gold project lies adjacent to a currently producing high-grade vein/intrusive breccia gold mine in the state of Puebla where recent mapping has identified 900 meters of undrilled surface veining similar in nature and mineralogy that currently being mined.

About Victory Ventures 1 Corp.

Victory is a capital pool company created pursuant to the policies of the TSXV. It does not own any assets, other than cash or cash equivalents and its rights under the LOI. 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.

Forward-Looking Statements Disclaimer

Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Victory assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to Victory. Additional information identifying risks and uncertainties is contained in filings by Victory with the Canadian securities regulators, which filings are available at www.sedar.com.

Completion of the Acapulco Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Acapulco Transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Acapulco Transaction and has neither approved nor disapproved the contents of this press release.

The Victory Common Shares will remain halted until such time as permission to resume trading has been obtained from the TSXV. Victory is a reporting issuer in Alberta, British Columbia, Saskatchewan, and Ontario.

For more information about Victory, please contact Raj Dewan, Director, at (416) 865-7878.