



Victory Metals Announces Closing of \$15.2 Million First Tranche of Private Placement and Announces \$1.5 Million Second Tranche Lead Order from Crescat Capital

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VANCOUVER, BC, Dec. 23, 2020 /CNW/ - **Victory Metals Inc.** (TSX-V: VMX) ("**Victory**" or the "**Company**") is pleased to announce that, further to its news release dated December 4, 2020 and December 22, 2020, it has closed, subject to final approval of the TSX Venture Exchange ("**TSX-V**"), the first tranche of its non-brokered private placement financing (the "**Private Placement**") of subscription receipts of Victory ("**Subscription Receipts**"). Pursuant to the Private Placement, Victory issued 27,569,702 Subscription Receipts at a price of \$0.55 per Subscription Receipt (the "Subscription Price") for aggregate gross proceeds of \$ 15,163,336 million.

Highlights:

- Victory originally announced that it intended to complete the Private Placement for a minimum of \$8 million. On December 22, 2020 Victory announced an increase in the size of the Private Placement to approximately \$17.5 million to accommodate significant excess demand.
- The first tranche of \$15.2 million in gross proceeds has now closed.
- Crescat Capital LLC, a Denver based hedge fund, has provided a \$1.5 million lead order towards a second tranche of the Private Placement which will close on or about January 15, 2021. The Company may accept additional subscriptions in this second tranche.

Collin Kettell, CEO of Victory, commented: "The completion of the proposed merger with Nevada King will create a new leading Nevada focused gold explorer. The newly formed company will hold the fourth largest land position in Nevada, with only Barrick, Newmont and Kinross having larger land holdings. Of particular note and materiality, all projects are held along the prolific Battle Mountain Gold Trend, with a compelling portfolio of gold targets a number of which the Company intends to move to the drill stage in 2021. Our team looks forward to embarking on a focused and fruitful 2021."

Financing Summary:

The completion of the Private Placement by Victory represents the satisfaction of one closing condition to the previously announced a merger of equals transaction (the "**Merger**") between Victory and Nevada King Mining Ltd. ("**Nevada King**") under which Victory will acquire all the issued and outstanding shares of Nevada King for common shares of Victory (the "**Victory Shares**").

The proceeds of the Private Placement will be used to advance Victory's development and exploration stage assets and for other general corporate purposes.

The Subscription Receipts were issued pursuant to a subscription receipt agreement entered into between Victory and Alliance Trust Company, the subscription receipt agent, dated December 23, 2020. Each Subscription Receipt entitles the holder to receive one post-Merger Victory Share

immediately after closing of the Merger, subject to other standard conditions, without further action on the part of the holder and without payment of additional consideration. The Subscription Receipts issued pursuant to the Private Placement, and the underlying Victory Shares issuable upon conversion thereof, will be subject to a hold period under applicable Canadian securities law expiring on April 24, 2021. Finder's fees in an aggregate amount of \$394,008.55 be paid in cash to certain finders on a portion of the Private Placement, subject to compliance with TSX-V policies and applicable securities legislation.

The completion of the Merger, and the automatic conversion of the Subscription Receipts thereafter, remains subject to customary closing conditions including approval of the TSX-V, shareholders, and the court. The proceeds of the Private Placement will be held in escrow pending the completion of the Merger. Victory expect to complete the Merger in the first quarter of 2021. If the Merger is not completed before April 16, 2021 the Subscription Receipts will be deemed to be cancelled and the holders of Subscription Receipts will receive a cash amount equal to the aggregate Subscription Price of their Subscription Receipts and any interest that was earned on the Subscription Price.

Certain insiders of the Company subscribed for 300,000 Subscription Receipts pursuant to the Private Placement. Participation by insiders constitutes a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Victory is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Subscription Receipts issued to such related parties does not exceed 25% of Victory's market capitalization. Victory did not include this information in a material change report 21 days prior to the closing of the Private Placement as the details of the participation of insiders of Victory had not been confirmed at that time.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Please see the Company's website at www.victorymetals.ca.

On Behalf of the Board of Directors of
VICTORY METALS INC.

Paul Matysek
Executive Chairman and Director

Cautionary Statements Regarding Forward Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future operations and activities of Victory, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this news release relate to, among other things, statements relating to the use of proceeds of the Private Placement, the expected closing of the second tranche, the

conversion of the Subscription Receipts, the terms of the Merger; Victory's operations following the Merger and the completion of the Merger. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by Victory, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, Victory's failure to complete the Merger, the failure of Victory shareholders or Nevada King shareholders to approve the Merger, the failure of the TSX-V to approve the Merger and the Private Placement and management's discretion to reallocate the use of proceeds. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these items. Victory does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by applicable securities laws.

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