

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Victory Metals Inc. (the "Company")
PO Box 48264, Bentall Centre
Vancouver, British Columbia
Canada V7X 1A1

Item 2 Date of Material Change

December 23, 2020

Item 3 News Release

The Company disseminated a news release announcing the material change described herein through the news dissemination services of Canada Newswire on December 23, 2020.

Item 4 Summary of Material Change

The Company announced it has closed, subject to final approval of the TSX Venture Exchange, the first tranche of its non-brokered private placement financing (the "**Private Placement**") of subscription receipts of the Company ("**Subscription Receipts**"). Pursuant to the Private Placement, the Company issued 27,569,702 Subscription Receipts at a price of \$0.55 per Subscription Receipt for aggregate gross proceeds of \$15,163,336.

Item 5 Full Description of Material Change

The Company announced that 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 the Company ("**Subscription Receipts**"). Pursuant to the Private Placement, the Company 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.

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

The Subscription Receipts were issued pursuant to a subscription receipt agreement entered into between the Company 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 to be used to advance the Company's development and exploration stage assets and for other general corporate purposes will be held in escrow pending the completion of the Merger. The Company expects 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.

Palisades Goldcorp Ltd., a majority shareholder of the Company, subscribed for 200,000 Subscription Receipts and Doug Forster, a director of the Company, subscribed for 100,000 Subscription Receipts. 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"). The Company 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 the Company's market capitalization. The Company 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 the Company had not been confirmed at that time.

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.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

Collin Kettell, Chief Executive Officer and Director
Email: ck@victorymetals.ca
Telephone: 301-744-8744

Item 9 Date of Report

December 28, 2020