

VICTORY OPPORTUNITIES 1 CORP.

Management's Discussion and Analysis
For the fourth quarter ended June 30, 2023

INTRODUCTION

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the year ended June 30, 2023. The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company. This MD&A is effective October 27, 2023.

The Company has prepared its financial statements as at June 30, 2023 and for the year then ended in Canadian dollars and in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

FORWARD LOOKING STATEMENTS

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

COMPANY OVERVIEW

VICTORY OPPORTUNITIES 1 CORP. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 15, 2022. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholders' approval, if required, and acceptance by regulatory authorities. On December 22, 2022, the Company completed its initial public offering ("IPO") and the common shares of the Company were listed on the Exchange under the symbol "VOC.P" and began trading on December 28, 2022.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

There is no assurance that the Company will identify a QT.

RESULTS OF OPERATIONS

Three months and year ended June 30, 2023

During the three months and year ended June 30, 2023, the Company recorded a net loss of \$62,085 (2022 - \$12,099) and \$140,782 (2022 - \$22,685). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months and year ended June 30, 2023. The Company continues to incur regulatory and professional fees necessary to keep the Company active as it seeks a QT.

SUMMARY OF SELECTED QUARTERLY RESULTS

The following table contains selected financial information for the last six quarters since inception:

	June 30, 2023 \$	March 31, 2023 \$	December 31, 2022 \$
Total assets	334,479	346,235	372,833
Working capital	324,479	332,177	356,324
Net income (loss)	(62,085)	(25,374)	(35,594)
Net income (loss) per share ⁽¹⁾	(0.02)	(0.00)	(0.00)

VICTORY OPPORTUNITIES 1 CORP.

Management's Discussion and Analysis
For the fourth quarter ended June 30, 2023

	September 30, 2022 \$	June 30, 2022 \$	From March 15 (date of incorporation) to March 31, 2022 \$
Total assets	106,628	184,327	174,413
Working capital	90,119	145,815	164,414
Net income (loss)	(17,729)	(12,099)	(10,586)
Net income (loss) per share ⁽¹⁾	(0.00)	(0.00)	(0.01)

⁽¹⁾The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

Additional Disclosure for Venture Issuers without Significant Revenue

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- (a) Capitalized or expensed exploration and development costs – Not applicable
- (b) Expensed research and development costs – Not applicable
- (c) Deferred development costs – Not applicable
- (d) General administrative expenses – the financial information is presented in the Statement of Net and Comprehensive Loss in the financial statements.
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2023, the Company had accounts payable and accrued liabilities of \$10,000 due within 12 months and had cash of \$334,479 to meet its current obligations. As a result, the Company has minimal liquidity risk.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. The Company considers capital to be all accounts in equity. 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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company's audited financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As at June 30, 2023, the Company had accumulated losses of \$163,467 since its inception and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon raising additional capital to complete the acquisition of an asset or business and the achievement of profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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. 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.

VICTORY OPPORTUNITIES 1 CORP.

Management's Discussion and Analysis
For the fourth quarter ended June 30, 2023

During the year ended June 30, 2023, the Company granted 637,000 stock options to the directors of the Company with a fair value of \$48,282. There was no further compensation to key management personnel beyond the grant of options for the current year and prior period.

CRITICAL JUDGMENTS AND ESTIMATES

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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

Significant accounting judgments

- i. the evaluation of the Company's ability to continue as a going concern

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

j) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Cash is classified as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

VICTORY OPPORTUNITIES 1 CORP.

Management's Discussion and Analysis
For the fourth quarter ended June 30, 2023

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through OCI (FVOCI):** Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is not reclassified from equity to profit or loss. Interest income from these debt instruments is included as finance income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTION

None.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Class A common shares and an unlimited number of Class B preferred shares without par value. No Class B preferred shares have been issued to date.

As at the date of this MD&A, the Company had 6,388,000 common shares outstanding; 878,440 stock options outstanding. Included in the outstanding common shares and stock options are 3,370,000 common shares and 637,000 stock options held in escrow.

VICTORY OPPORTUNITIES 1 CORP.

Management's Discussion and Analysis
For the fourth quarter ended June 30, 2023

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. These amendments are expected to reduce the disclosure of accounting policies for the Company.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

RISKS AND UNCERTAINTIES

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

The Company does not currently have an operating business. Where an acquisition or participation is warranted, funding in addition to the IPO funding may be required. These additional funds may not be available on terms acceptable to the Company. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the TSX.V, at which time the TSX.V may suspend or de-list the Company's shares from trading.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.