

VICTORY OPPORTUNITIES 1 CORP.

MD&A to the audited financial statements
For the three months periods and years ended June 30, 2024 and 2023

INTRODUCTION

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the year ended June 30, 2024 should be read in conjunction with the audited financial statements for the year ended June 30, 2024 and the related notes thereto of Victory Opportunities 1 Corp. (the "Company" or "Victory"). The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board other than the going concern assumption that have a significant effect on these financial statements.

This MD&A is dated September 6, 2024.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance. There is no assurance that the Company will be able to identify a suitable business, asset or property as its Qualifying Transaction (as defined in the Policies of the TSX Venture Exchange (the "Exchange")). Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

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COMPANY OVERVIEW

VICTORY OPPORTUNITIES 1 CORP. 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 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.

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 ended June 30, 2024

The Company recorded a net loss of \$16,918 (\$0.01 per share) for the three months ended June 30, 2024. The Company had paid no dividends and had no long-term liabilities during the three months ended June 30, 2024. The operating expenses of \$32,273 during the three months ended June 30, 2024 were comprised of regulatory and filing fees of \$12,315 professional fees of \$17,366, administrative expenses of \$2,474 and bank charges and other of \$118. The Company also recorded interest income of \$15,355 during the three months ended June 30, 2024.

Year ended June 30, 2024

The Company recorded a net loss of \$47,850 (\$0.02 per share) for the year ended June 30, 2024. The Company had paid no dividends and had no long-term liabilities during the year ended June 30, 2024. The operating expenses of \$63,205 during the year ended June 30, 2024 were comprised of regulatory and filing fees of \$16,048 (2023 - \$33,592), professional fees of \$43,822 (2023 – \$58,448), administrative expenses of \$3,122 (2023 - \$Nil) and bank charges and other of \$213 (2023 - \$460). The Company also recorded interest income of \$15,355 (2023 - \$nil) during the year ended June 30, 2024.

SUMMARY OF SELECTED ANNUAL (AUDITED) AND QUARTERLY RESULTS (UNAUDITED)

The following table sets three-year audited financial summary of the Company.

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
	\$	\$	\$
Operating expenses	63,205	140,782	22,685
Loss from operations	47,850	140,782	22,685
Loss per share – basic and diluted	0.02	0.09	0.01
Total assets	306,896	334,479	184,327
Total liabilities	30,267	10,000	38,512

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The following table sets forth selected financial information from the Company's unaudited quarterly consolidated financial statements for the most recently completed quarters.

	THREE MONTHS ENDED			
	June 30	March 31	December 31	September 30
	2024	2024	2023	2023
	\$	\$	\$	\$
Total assets	306,896	302,000	306,723	331,567
Working capital	276,629	293,547	298,045	321,706
Net income (loss)	(16,918)	(4,498)	(23,661)	(2,773)
Net income (loss) per share ⁽¹⁾	(0.01)	(0.00)	(0.01)	(0.00)

	THREE MONTHS ENDED			
	June 30	March 31	December 31	September 30
	2023	2023	2022	2022
	\$	\$	\$	\$
Total assets	334,479	346,235	372,833	106,628
Working capital	324,479	332,177	356,324	91,119
Net income (loss)	(62,085)	(25,374)	(35,594)	(17,729)
Net income (loss) per share ⁽¹⁾	(0.06)	(0.00)	(0.00)	(0.00)

⁽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.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company had accounts payable and accrued liabilities of \$30,267 due within 12 months and had cash of \$306,896 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. In the management of capital, the Company includes the components of shareholders' equity as well as cash. 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, 2024, the Company had accumulated losses of \$211,317 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.

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CAPITAL EXPENDITURES

The Company incurred \$Nil in capital expenditures during the year ended June 30, 2024.

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. During the year ended June 30, 2024, there were no transactions with related parties.

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

OFF-BALANCE SHEET ARRANGEMENTS

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

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; 637,000 stock options outstanding; 241,440 agent 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.

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.

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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.

SUBSEQUENT EVENT

On July 25, 2024, the Company announced that Michael Yeung, Jeff Stevens, Andrew Ryu and Paul Haber, resigned as directors and officers of Victory Opportunities 1 Corp. and were replaced by Brian Shin (director, chief executive officer, chief financial officer and corporate secretary), Ken Engquist (director) and Charanjit Hayre (director). The change of directors and officers were approved by the requisite number of disinterested shareholders of the company by written consent.

On August 14, 2024, the Company announced that it has executed an arm's-length amalgamation agreement with Excalibur Metals Corp regarding a proposed arm's-length qualifying transaction. The details are as follows:

The qualifying transaction

As set out in the definitive agreement, the Company will acquire all of the issued and outstanding common shares of Excalibur pursuant to a three-cornered amalgamation to be completed under the Business Corporations Act (British Columbia) (BCBCA) by the Company, Excalibur and a wholly-owned subsidiary of the Company incorporated for the purpose of completing the amalgamation. The amalgamation will result in the issuance, to each shareholder of Excalibur, of two common shares of the Company for each one Excalibur share held by such holder immediately prior to the closing of the qualifying transaction. As part of the amalgamation, all convertible securities of Excalibur outstanding immediately prior to the closing are expected to be replaced with or exchanged for equivalent convertible securities of the Company entitling the holders thereof to acquire common shares in lieu of Excalibur shares.

The amalgamation will result in the reverse takeover of the Company by Excalibur shareholders and will constitute the Company's qualifying transaction. Following the completion of the qualifying transaction, the Company, as the issuer resulting therefrom, is expected to carry on the current business of Excalibur under the name Excalibur Metals Corp. or such other name as may be determined by Excalibur and approved by the shareholders of the Company and be acceptable to the applicable regulatory authorities, including the TSX-V. The business of the resulting issuer will be primarily focused on mineral exploration and development of Excalibur's Bellehelen property located 70 kilometres east of Tonopah in central Nevada.

Name change

As set out in the definitive agreement, the Company is expected to, prior to the closing, effect a change of its corporate name to Excalibur Metals Corp. or such other name as determined by Excalibur and is acceptable to the applicable regulatory authorities, including the TSX-V.

Preclosing capitalization of the Company

As of the date hereof, the Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares in the capital of the Company, issuable in series, of which 6,388,000 common shares and no preferred shares are issued and outstanding. In addition, the Company currently has 637,000 stock options and 241,440 broker warrants issued and outstanding. Prior to the closing of the qualifying transaction, it is expected that the Company's stock options will expire.

OTHER INFORMATION

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