

VICTORY RESOURCES CORPORATION

C206 – 9801 King George Highway, Surrey, British Columbia, Canada, V3T 5H5

INFORMATION CIRCULAR

as at November 3, 2011

THIS INFORMATION CIRCULAR (THE “CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF VICTORY RESOURCES CORP. (THE “COMPANY”) FOR USE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) OF THE COMPANY TO BE HELD AT SUITE 2760 – 200 GRANVILLE STREET, VANCOUVER, CANADA AT 10:00 A.M. (PACIFIC TIME), ON THURSDAY, DECEMBER 8, 2011 OR AT ANY ADJOURNMENTS THEREOF, FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING.

In this Information Circular, references to “the Company”, “we”, “our” and “Victory” refer to Victory Resources Corporation. “Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers, and regular employees of the Company. All costs of solicitation of proxies by management will be borne by the Company.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the shares of the Company (“Shares”) represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1;

- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll free number, the holder's account number and the Proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at www.computershare.com/ca/proxy. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy access number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders of the Company who do not hold Shares in their own name. Beneficial shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares).

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the United States the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("Broadridge") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.**

Although as a Beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Shares.

This Information Circular and related material is being sent to both registered and non-registered owners of Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or at the address of the registered office of the Company at Suite # 2760, 200 Granville street. Vancouver, B. C., V6C 1S4, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors and the appointment of the auditor and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board of Directors of the Company (the "Board") has fixed November 3, 2011 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

The Company is authorized to issue 100,000,000 Shares, and as of the record date, there were 53,384,685 shares issued and outstanding, each carrying the right to one vote. There are 200,000 Shares held in escrow. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to Shares.

To the knowledge of the directors and executive officers of the Company the following are the registered holders of shares carrying more than 10% of the voting rights:

| Shareholder Name | Number of Shares Held | Percentage of Issued Shares |
|-------------------------|------------------------------|------------------------------------|
| CDS & CO | 38,276,675 | 71.71% |

Note:

- (1) This shareholder is a share depository, the beneficial ownership of which is unknown to the Company.
- (2) The above information was supplied by the Company's transfer agent, Computershare Investor Services Inc.

Share Holdings of Persons Soliciting Proxies

The directors and officers of the Company are soliciting proxies by issuance of the within Information Circular. Those persons, their present offices, and their beneficial ownership of shares of the Company, direct and indirect, are as follows:

| <u>Name</u> | <u>Office</u> | <u>Share Position⁽¹⁾</u> |
|---------------------|-----------------------------|-------------------------------------|
| Wally E. Boguski | Director, President and CEO | 1,954,339 |
| Laurence Sookochoff | Director, CFO | 42,000 |
| Paul Lee | Director | 0 |
| Alphonse Ruggiero | Director | 0 |

(1) These numbers do not include warrants or options that are currently exercisable.

FINANCIAL STATEMENTS

The following documents filed with the securities commissions or similar regulatory authority in British Columbia and Alberta and are specifically incorporated by reference into, and form an integral part of, this Information Circular.

- the Company's most recent audited financial statements for the year ended February 28, 2011, the report of the Company's auditor thereon and related management and discussion analysis.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company, at C206 – 9801 King George Highway, Surrey, British Columbia, Canada, V3T 5H5; fax number: (604) 585-9606. These documents are also available through the Internet on SEDAR, which can be accessed at www.SEDAR.com.

The audited financial statements of the Company for the year ended February 28, 2011, the report of the Company's auditor thereon and related management discussion and analysis will be placed before the Meeting. Copies of these documents will be available at the Meeting. Additional copies may be obtained from the Secretary of the Company upon request.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

At the Meeting four persons will be proposed by management for election to the Board. Prior to the next general meeting of shareholders, the number of directors comprising the Board can be increased by the addition of up to one-third of the number of directors elected at the Meeting. Accordingly, if four directors are elected at the Meeting, the Board may appoint one additional director prior to the next general meeting of shareholders.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCA"), each director elected will hold office until the conclusion of the next general meeting of the Company, or until a successor is elected or herby resigns.

UNLESS AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF THE NOMINEES NAMED IN THE INSTRUMENT OF PROXY. IN THE UNANTICIPATED EVENT THAT A NOMINEE IS UNABLE TO, OR DECLINES TO SERVE AS A DIRECTOR AT THE TIME OF THE MEETING, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY WILL VOTE TO ELECT ANOTHER NOMINEE IF PRESENTED OR TO REDUCE THE NUMBER OF DIRECTORS ACCORDINGLY, IN THEIR DISCRETION. AS OF THE DATE OF THIS CIRCULAR, MANAGEMENT OF THE COMPANY IS NOT AWARE OF ANY NOMINEE WHO IS UNABLE TO OR WHO INTENDS TO DECLINE TO SERVE AS A DIRECTOR, IF ELECTED.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

| Name of Nominee; Current Position with the Company and Province and Country of Residence⁽¹⁾ | Occupation, Business or Employment | Period as a director of the Company | Shares Beneficially Owned or Controlled⁽¹⁾⁽³⁾ |
|---|---|--|---|
| Wally E. Boguski ⁽²⁾ President, Chief Executive Officer/ director British Columbia, Canada | Businessman; Mining Executive; CEO/President/director - Victory Resources Corp.; CEO/President/director – Sierra Iron Ore Corp. Director – Earny Resources Ltd. | Since December 15, 1993 | 1,954,339 |
| Laurence Sookochoff Chief Financial Officer/Secretary/director British Columbia, Canada | Consulting Geologist; CFO/Secretary/director – Victory Resource Corp.; director – Sierra Iron Ore Corp. | Since July 27, 2005 | 42,000 |
| Paul Lee ⁽²⁾ director British Columbia, Canada | Office Administrator/ director – Victory Resources Corp.; Office Administrator/ director – Sierra Iron Ore Corporation; | Since February 20, 2010 | nil |
| Alphonse Ruggiero ⁽²⁾ director New York, USA | financial consultant; manager of Continuing Professional Education (CPE) for the American Instituted of CPA's; CFO/Secretary/director – Sierra Iron Ore Corporation | Since March 30, 2010 | nil |

Notes:

- (1) The information as to principal occupation, business or employment and share ownership is not within the knowledge of the management of the Company and has been furnished by the respective nominees themselves.
- (2) Member of the Audit Committee.
- (3) These figures do not include warrants or stock options that are currently exercisable.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

No proposed nominees for election as a director of the Company is, or has been within 10 years before the date of this Information, Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that is, or has been, or acted in that capacity for a company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed nominees for election as a director of the Company is, or has been within 10 years before the date of this Information, Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

COMPENSATION OF EXECUTIVE OFFICERS

Executive Compensation

In this section “Named Executive Officer” means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year of February 28, 2011, and whose total salary and bonus exceeds \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Wally E. Boguski and Laurence Sookochoff are each Named Executive Officers of the Company for the purposes of the following disclosure. The compensation paid to the Named Executive Officers during the Company’s three most recently completed financial years is as set out below:

Summary Compensation Table

| NAMED EXECUTIVE OFFICERS | Year | Annual Compensation | | | Long Term Compensation | | | All Other Compensation (\$) |
|---|------|---------------------|------------|--------------------------------|---|---|-------------------|-----------------------------|
| | | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) | Awards | | Payouts | |
| | | | | | Securities Under Options/SARs Granted (#) | Shares or Units Subject to Resale Restrictions (\$) | LTIP Payouts (\$) | |
| Wally E. Boguski ⁽¹⁾ President, Chief Executive Officer | 2011 | 60,000 | Nil | 60,000 | Nil | Nil | Nil | 5,500 |
| | 2010 | 35,000 | Nil | 35,000 | 550,000 | Nil | Nil | 2,709 |
| | 2009 | 30,000 | Nil | 35,000 | 0 | Nil | Nil | 2,000 |
| Laurence Sookochoff ⁽²⁾ Chief Financial Officer | 2011 | Nil | Nil | 109,650 | 75,000 | Nil | Nil | 14,500 |
| | 2010 | Nil | Nil | 44,455 | 450,000 | Nil | Nil | Nil |
| | 2009 | 36,350 | Nil | Nil | 150,000 | Nil | Nil | Nil |

Notes:

- (1) Wally E. Boguski was first appointed President of the Company on October 8, 2002. In addition, he was appointed Chief Executive Officer on June 27, 2005.
- (2) Laurence Sookochoff was first appointed Chief Financial Officer on October 12, 2007.

Long-Term Incentive Plan Awards

Long term incentive plan awards (“LTIP”) means “a plan providing compensation intended to motivate performance over a period greater than one financial year.” LTIPs do not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Company did not award any LTIPs to any Named Executive Officer during the most recently completed financial year.

Share Options / SARS

Share options granted to the Named Executive Officers during the financial year ended February 28, 2011:

Option Grants During the Most Recently Completed Financial Year

| NAMED EXECUTIVE OFFICERS Name | Securities Under Options Granted (#) | % of Total Options Granted to Employees in Financial Year | Exercise or Base Price (\$/Security) | Market Value of Securities Underlying Options on the Date of Grant (\$/Security) | Expiration Date |
|-------------------------------|--------------------------------------|---|--------------------------------------|--|-----------------|
| Wally Boguski | Nil | N/A | N/A | N/A | N/A |
| Laurence Sookochoff | 75,000 | 9.62% | \$0.25 | \$0.21 | May 17, 2015 |

The share options exercised by the Named Executive Officers during the financial year ended February 28, 2011 and the values of such options at the end of such year were as follows:

**Aggregate Option Exercises During the Most Recently Completed Financial Year
and Financial Year-End Option Values**

| NAMED EXECUTIVE OFFICERS Name | Securities Acquired on Exercise (#) | Aggregate Value Realized ⁽¹⁾ (\$) | Unexercised Options at FY-End (#) Exercisable/ Unexercisable | Value of Unexercised in-the- Money Options at FY-End (\$) Exercisable/ Unexercisable |
|----------------------------------|---|--|--|--|
| Wally Boguski | Nil | N/A | 300,000 ⁽²⁾ | \$75,000 |
| Laurence Sookochoff | Nil | N/A | 75,000 ⁽²⁾ | \$15,000 |

Notes:

- (1) The aggregate value realized on the exercise of options is calculated at the difference between the aggregate market value of the securities as at the date of exercise and the aggregate exercise price of the options. Any options that are out-of-the-money are excluded from this calculation
- (2) All of the above options are exercisable.
- (3) The value of unexercised in-the-money stock options has been determined by subtracting the exercise price of the option from the closing Share price of on February 28, 2011, and multiplying that number by the number of Common Shares that may be acquired upon the exercise of the option.

No share options were re-priced on behalf of the Named Executive Officers during the Company's most recently completed financial year.

Termination of Employment, Change in Responsibilities and Employment Contracts

There is a written employment contract between the Company and its President/CEO. This Agreement was for a one year term commencing on October 1, 2006; however, the same is automatically renewed from year to year, subject to certain renewal and termination provisions.

There are no compensatory plan(s) or arrangement(s), with respect to any Named Executive Officer, resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the Named Executive Officer's responsibilities following a change in control.

Compensation of Directors

There are no written agreements under which directors were compensated by the Company and its subsidiaries during the Company's most recently completed financial year ended February 28, 2011 for their services in their capacity as directors. Each director receives \$500 per month for compensation.

The following directors received options under the Stock Option Plan in their capacity as directors during the financial year ended February 28, 2011:

Option Grants During the Most Recently Completed Financial Year

| Name of Director | Securities Under Options Granted (#) | Exercise or Base Price (\$/Security) | Market Value of Securities Underlying Options on the Date of Grant (\$/Security) | Expiration Date |
|---------------------|---|--|---|-----------------|
| Alphonse Ruggiero | 250,000 | \$0.25 | \$0.21 | May 17, 2015 |
| Laurence Sookochoff | 75,000 | \$0.25 | \$0.21 | May 17, 2015 |
| Paul Lee | 75,000 | \$0.25 | \$0.21 | May 17, 2015 |

Notes:

- (1) The Company granted 778,000 stock options during the year ended February 28, 2011.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the rolling number stock option plan (the "Stock Option Plan") previously approved by shareholders at the last annual general meeting. The Stock Option Plan has been established to provide incentive to qualified parties and is administered by the directors of the Company. The Stock Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company, or subsidiary. The Stock Option Plan provides that the number of Shares issuable thereunder, together with all of the Company's other previously established or proposed Share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. All options expire on a date not later than five years after the date of grant.

The following table sets out equity compensation plan information as at the end of the financial year ended February 28, 2011.

Equity Compensation Plan Information

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| Plan Category | (a) | (b) | (c) |
| Equity compensation plans approved by securityholders – Option Plan | 3,462,812 | \$0.21 | 1,147,157 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 3,462,812 | | 1,147,157 |

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company, were indebted to the Company as of the end of the Company's most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the Company's most recently completed financial year ended February 28, 2011, or has any interest in any material transaction in the current year other than as set out herein.

- (1) During the year ended February 28, 2011, the Company:
 - a) Paid or accrued \$60,000 (2010 - \$35,000) in management fees to an officer of the company for his services.
 - b) Paid or accrued \$60,000 (2010 - \$37,709) in project management fees to a company controlled by a director of the Company. This amount is included in deferred exploration expenditure, a component of mineral properties.
 - c) Paid or accrued \$109,650 (2010 - \$44,455) in exploration expenses to a private company controlled by a director of the Company.

- d) Paid or accrued \$9,000 (2010 - \$Nil) in geological and other consulting fees to a director of the Company, a component of professional fees.
- e) Paid or accrued \$22,000 (2010 - \$Nil) in directors' fees.
- f) Paid or accrued \$42,480 (2010 - \$Nil) in wages to a director of the Company.
- g) Paid or accrued \$7,700 (2010 - \$Nil) in promotion expenses to a private company controlled by a director of the Company.

MANAGEMENT CONTRACTS

There is a written employment contract between the Company and its President/CEO. This Agreement was for a one year term commencing on October 1, 2006; however, the same is automatically renewed from year to year, subject to certain renewal and termination provisions. The President of the Company is paid \$5,000 per month for management fees and \$5,000 per month for project management fees.

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

APPOINTMENT OF AUDITOR

BDO Dunwoody, LLP, of Suite 604, 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8, will be nominated at the Meeting for reappointment as auditor of the Company at remuneration to be fixed by the directors. BDO Dunwoody, LLP was first appointed auditor of the Company on December 31, 1999.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

At the Meeting, the shareholders will be called upon to reappoint BDO Dunwoody, LLP, as auditors of the Company, to hold office until the next annual general meeting of the Company, at a remuneration to be fixed by the directors.

UNLESS AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE IN FAVOUR OF THE REAPPOINTMENT OF BDO DUNWOODY, LLP, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND TO AUTHORIZE THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS.

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The Company has an Audit Committee Charter which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The members of the Company's Audit Committee are Wally Boguski, Paul Lee and Alphonse Ruggiero.

Paul Lee and Alphonse Ruggiero are independent members of the Audit Committee. A member is considered independent if the member has no direct or indirect material relationship with the Company, and a material relationship means a relationship which could, in the view of the Company's board, reasonably interfere with the exercise of a member's independent judgement.

All members are considered to be financially literate. A member is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

The following describes the education (including supervisory or analytical experience) of each AC member that is relevant to understanding and assessing the accounting principles use by Company to prepare its financial statements, the general application of such accounting principles to estimated, accruals and reserves and other issues that can be reasonably be expected to be raised by the preparation of the Company's financial statements, as well as understanding internal controls and procedures for financial report.

Wally Boguski

Mr. Boguski has an extensive finance and mining related accounting background with over 26 years of expertise, including working in bank management and accounting in major Canadian financial institutions.

Paul Lee

Mr. Lee holds a Diploma of General Business from Douglas College and a MBA from Royal Roads University. In addition, he has practical experience in a variety if business related disciplines.

Alphonse Ruggiero

Mr. Ruggiero is a financial consultant with an accounting and finance background. He worked in public accounting for two big C.P.A firms as an audit manager as well as acted as the director of internal audits for a major corporation. In addition, he worked as the manager of Continuing Professional Education (CPE) for the American Instituted of CPA's and has served as a CFO and director for numerous public companies.

Audit Committee Oversight

The Audit Committee has not found it necessary to make any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, BDO Dunwoody, LLP, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

| Nature of Services | Fees Billed by Auditor in Year Ended February 28, 2011. | Fees Billed by Auditor in Year Ended February 28, 2010. |
|-----------------------------------|--|--|
| Audit Fees ⁽¹⁾ | \$40,424.16 | \$29,860.20 |
| Audit-Related Fees ⁽²⁾ | - | - |

| Nature of Services | Fees Billed by Auditor in Year Ended February 28, 2011. | Fees Billed by Auditor in Year Ended February 28, 2010. |
|-------------------------------|--|--|
| Tax Fees ⁽³⁾ | 0 | 3,224.00 |
| All Other Fees ⁽⁴⁾ | - | - |
| Total | \$40,424.16 | \$33,084.20 |

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon exemptions contained in Section 6.1 of NI 52-110 in connection with the following:

1. Section 6.1 of NI 52-110 exempts the Company from the requirement to disclose information relating to the Audit Committee in an annual information form ("AIF") as the Company, like other venture issuers, is exempt from the requirement to file an AIF under Section 6.1 of NI 51-102, Continuous Disclosure Obligations.
2. Section 6.1 of NI 52-110 exempts the Company from the requirements in Part 3 of NI 52-110 with regard to the composition of the Audit Committee, including the requirement that all members of the Committee must be independent. In any event, a majority of the members are independent, as required by the rules and policies of the TSX Venture Exchange.

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management by having regular meetings and by establishing and implementing prudent corporate governance policies and procedures in accordance with NI 58-101.

The independent members of the Board are Alphonse Ruggiero and Paul Lee; all other Board members are officers of the Company.

Directorships

Wally E. Boguski is also a director of Sierra Iron Ore Corporation, which is listed on the TSX Venture Exchange and Earny Resources Ltd., a CPC Company listed on the TSX Venture Exchange. .

Laurence Sookochoff is also a director of: Sierra Iron Ore Corporation, which is listed on the TSX Venture Exchange.

Alphonse Ruggiero is also a director of: Sierra Iron Ore Corporation, which is listed on the TSX Venture Exchange.

Paul Lee is also a director of: Sierra Iron Ore Corporation, which is listed on the TSX Venture Exchange

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

While the Company does not have any formal orientation and training programs, new Board members are provided with:

- (a) information respecting the functioning of the Board and its committees and copies of the Company's corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars. Board members have full access to the Company's records.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a Nominating Committee, and these functions are currently performed by the Board as a whole. The nominees are generally the result of recruitment efforts by individual Board members.

Compensation

The Board does not have a Compensation Committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

The Board periodically reviews the compensation paid to directors, management, and employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and the Company's current position as a development company without operating revenue.

Other Board Committees

The Board does not currently have a Corporate Governance Committee, and these functions are currently performed by the Board as a whole.

Assessments

The Board monitors but does not formally assess the performance of individual Board members or Committee members or their contributions.

PARTICULARS OF MATTERS TO BE ACTED UPON

Stock Option Plan

The TSX Venture Exchange (the "TSX.V") requires each listed company to have a Stock Option Plan.

Under the Company's stock option plan (the "Stock Option Plan" or "Plan"), a maximum of 10% of the issued and outstanding Shares of the Company at the time an option is granted, less shares outstanding in the Stock Option Plan, will be reserved for options to be granted at the discretion of the Company's board of directors to eligible optionees (the "Optionees").

In light of recent amendments to the Income Tax Act (Canada) (the "Tax Act") described in more detail below, the Board of Directors has adopted an amended and restated Incentive Stock Option Plan (the "Plan" or "Stock Option Plan") for the Company. The Plan, is a 10% rolling plan (pursuant to Policy 4.4 of the TSX-V ("Policy 4.4")), subject to annual shareholder approval. The only substantive difference between this Plan and the prior plan is related to the amendments to address the changes to the Tax Act.

The Company is seeking approval of the Plan by the Shareholders.

As a result of the recent amendments to the Tax Act, which trigger employer tax withholding and remittance requirements for stock option benefits, the Corporation's Board of Directors has made the addition of the following section (the "Tax Act Amendments"):

"9.07 If the Company is required under the Income Tax Act (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:

- (a) pay to the Company, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Company to be the amount necessary to permit the required tax remittance; or
- (b) authorize the Company, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Company determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
- (c) make other arrangements acceptable to the Company to fund the required tax remittance. "

The Tax Act Amendments are of a housekeeping nature and were required in order to comply with applicable laws. The TSX-V has confirmed that the Board of Directors had the authority to make such amendments to the plan without Shareholder approval in order to comply with the provisions of applicable laws.

The purpose of the Plan is to attract and retain employees, officers and directors and to motivate them to advance the interests of the Company by affording them the opportunity to acquire an equity interest in the Company through options granted under the Plan to purchase Common Shares. The Plan is expected to benefit the shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed. The Plan has been drafted to comply with the policies of the TSX-V.

The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself.

THE PLAN

The Plan is administered by the Board of Directors of the Company, but may be administered by a special committee of directors if one is appointed by the Board of Directors. The aggregate number of Shares that may be reserved for issuance under the Plan shall not exceed ten percent (10%) of the issued and outstanding Shares of the Company from time to time. The number of Shares subject to an option to a participant shall be determined by the Board of Directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by the TSX-V or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The exercise price of the Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the price permitted by the TSX-V or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

The maximum term of an option is five (5) years, provided that participant's options expire ninety (90) days after his ceasing to act for the Company, except upon the death of a participant, in which case his estate shall have twelve (12) months in which to exercise the outstanding options.

No options are transferable or assignable.

Subject to the approval of the TSX-V, the Board of Directors has the discretion to amend or terminate the Plan; however, no amendment shall alter the terms of any outstanding options without the consent of the optionees concerned

APPROVAL OF THE PLAN

In accordance with Policy 4.4, Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution to ratify, confirm and approve the Plan.

The directors of the Company believe the Plan is in the Company's best interest and recommend that the Shareholders approve the Plan. It is intended that all proxies received will be voted in favour of approving the Plan, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the Plan. The proposed Plan resolution is as follows:

BE IT RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS OF THE COMPANY THAT:

1. the amended and restated incentive stock option plan of the Company (the "Plan"), in the form attached to the Information Circular as Schedule "B", be and the same is hereby ratified, confirmed and approved subject to applicable regulatory approval;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Company;
3. all options outstanding under the Plan or any previous form of stock option plan shall remain valid and outstanding and be governed by the terms of the applicable previous form of stock option plan as it existed when they were granted;
4. any director or officer is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the adoption of the Plan and the Board of Directors of the Company from time to time, be authorized to grant options in the capital stock of the Company pursuant to and in accordance with the provisions of the Plan so adopted; and
5. notwithstanding the approval of the shareholders of the Company as herein provided, the Board of Directors of the Company may, in its sole discretion, at any time suspend or terminate the Plan or revoke this resolution before it is acted upon, without further approval of the Shareholders of the Company.

ADDITIONAL INFORMATION

The audited financial statements of the Company for the year ended February 28, 2011 and the report of the auditor thereon will be available for review by shareholders at the Meeting. A copy of the audited financial statements of the Company for the year ended February 28, 2011 and the report of the auditor thereon may be obtained by a shareholder free of charge from the Company upon request.

Information relating to the Company may be obtained by a shareholder upon request without charge from the Company at C206 – 9801 King George Highway, Surrey, British Columbia, Canada, V3T 5H5; telephone: (604) 580-9605 or facsimile: (604) 585-9606; Attention: Secretary. Information is also available on SEDAR, which can be accessed at www.sedar.com.

OTHER MATTERS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the Shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by Proxy.

Matters which may properly come before the Meeting shall be any matter not effecting a change in the Articles or Notice of Articles of the Company or disposing of all or substantially all of the assets of the Company.

The contents of this Information Circular and Notice of the Meeting has been approved by the Board.

It is important that your Shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a corporation, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.

Dated at Surrey, British Columbia, Canada, on this 3rd day of November, 2011.

By Order of the Board of Directors of Victory Resources Corporation

“Wally E. Boguski”

President, Chief Executive Officer, director

SCHEDULE A
AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110)

National Instrument 52-110 (the "Instrument") which relates to the composition and function of audit committees applies to every TSX Venture Exchange listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed in accordance with Form 52-110F2, in the management information circular of the Company whereby management solicits proxies from the security holders of the Company for the purpose of electing directors to its board of directors.

This Charter has been adopted in order to comply with the Instrument and to more properly define the role of the audit committee in the oversight of the financial reporting process of the Company. Nothing in this charter is intended to restrict the ability of the board of directors or audit committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART I

Purpose:

The purpose of the audit committee is to:

- a) review all periodic financial statements, monitor the Corporation's regulatory financial disclosure requirements, and make recommendations respecting financial reporting matters;
- b) assist the board of directors to discharge its responsibilities;
- c) provide an accountable avenue of communication between the board of directors and the external auditors;
- d) ensure the external auditor's independence;
- e) ensure the availability and transparency of financial reports; and
- f) ensure that outside members of the board of directors have ready access to the external auditor to responsible members of management in financial reporting matters.

1.1 Definitions

Unless otherwise defined in this Audit Committee Charter, terms shall have the meanings set forth below:

"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

"Board" means the board of directors of the Company.

"Charter" means this audit committee charter.

"Company" or "Corporation" means Victory Resources Corporation.

"Committee" means the audit committee established by the Board for the purpose of overseeing the accounting, financial reporting processes of the Company and audits of the financial statements of the Company.

"Instrument" means Multilateral Instrument 52-110.

"MD&A" has the meaning ascribed to it in National Instrument 51-102.

"Member" means a member of the Committee.

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*.

"non-audit services" means services other than audit services.

PART 2

- 2.1** The Board has hereby established this Charter to set forth the duties and responsibilities of the Committee.
- 2.2** The Committee shall be comprised of at least three financially literate directors, the majority of whom are not Officers, employees or Control Persons of the Issuer or any of its Associates or Affiliates (within the meanings given those terms in prevailing securities legislation). An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- 2.3** The Board will direct the external auditor to report directly to the Committee and the Members have the irrevocable authority to enforce this procedure.
- 2.4** The Committee will be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 2.5** The Committee will be responsible for recommending to the Board:
- a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - b) the compensation of the external auditor.
- 2.6** Without limitation, the Committee will be responsible for:
- a) reviewing the audit plan with management and the external auditor;
 - b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - c) questioning management and the external auditor regarding significant financial reporting issues occurring during the fiscal period under review and the method of resolution;
 - d) reviewing any problems experienced by the external auditor in performing the audit, including any restriction imposed by management or significant accounting issue on which there was disagreement with management;
 - e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and discussing with management any significant variances between comparative reporting periods;
 - f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and subsequent follow-up;
 - g) reviewing interim unaudited financial statements before release to the public;
 - h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
 - i) reviewing the evaluation of internal controls by the external auditor, and subsequent follow-up;
 - j) reviewing the terms of reference of the internal auditor, if any;
 - k) reviewing reports issued by the internal auditor, if any, and subsequent follow-up; and
 - l) reviewing the appointments of chief financial officers and all other key financial executives involved in the financial reporting process, as applicable.
- 2.7** The Committee will approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.
- 2.8** The Committee will review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- 2.9** The Committee will ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and will periodically assess the adequacy of those procedures.

2.10 When there is to be a change of auditor, the Committee will review all issues related to the change, including the information to be included in the notice of change of auditor called for under prevailing laws and policies, and the planned steps for an orderly transition.

2.11 The Committee will review all reportable events, including disagreements, unresolved issues and consultations.

2.12 The Committee will, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

2.13 As applicable, the Committee will establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

2.14 The responsibilities outlined in this Charter are not intended to be exhaustive. Members must consider any additional areas which may require oversight when discharging their responsibilities.

PART 3

3.1 The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) set and pay the compensation for any advisors employed by the Committee; and
- c) communicate directly with the internal and external auditors.

PART 4

4.1 Meetings of the Committee will be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

4.2 Members will be afforded reasonable opportunities to privately meet with the external auditor, the internal auditor and members of senior management.

4.3 Minutes will be kept of all meetings of the Committee.

PART 5

5.1 Subject to subsection (2), if management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to its Board, the Committee shall ensure that the Company includes in its management information circular the disclosure required by Form 52-110F2 of the Instrument.

SCHEDULE B
STOCK OPTION PLAN

This stock option plan has been adopted by the directors of Victory Resources Corporation.

PART 1
INTERPRETATION

1.01 Definitions. In this Plan the following words and phrases shall have the following meanings, namely:

- (a) "Associate" means, where used to indicate a relationship with any person:
- (i) a partner, other than a limited partner, of that person;
 - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
 - (iii) a company in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the company; or
 - (iv) a relative, including the spouse or child, of that person or a relative of that person's spouse, where the relative has the same home as that person;

and for the purpose of this definition, "spouse" includes an individual who is living with another individual in a marriage-like relationship.

- (b) "Board" means the Board of Directors of the Company or, if applicable, the Committee.
- (c) "Committee" means a committee of the Board appointed in accordance with this Plan or, if no such committee is appointed, the Board itself.
- (d) "Company" means Victory Resources Corporation.
- (e) "Consultant" means, in relation to the Company, an individual (or a company wholly-owned by an individual) who:
- (i) provides ongoing consulting services to the Company or an affiliate of the Company under a written contract;
 - (ii) possesses technical, business or management expertise of value to the Company or an affiliate of the Company;
 - (iii) spends a significant amount of time and attention on the business and affairs of the Company or an affiliate of the Company; and
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (f) "Director" means any director of the Company or of any of its subsidiaries.
- (g) "Discounted Market Price" means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

| <u>Closing Price</u> | <u>Discount</u> |
|----------------------|-----------------|
| up to \$0.50 | 25% |
| \$0.51 to \$2.00 | 20% |
| above \$2.00 | 15% |

- (h) "Disinterested Shareholder Approval" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.
- (i) "Employee" means:
- (i) an individual who is considered an employee of the Company or any of its subsidiaries under the *Income Tax Act* (i.e. for whom deductions (income tax, UIC and CPP) must be made at source);
 - (ii) an individual who is a full-time (i.e. 35 - 40 hours per week) dependent contractor, that is one who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and is subject to the same control and direction by the Company or its subsidiary over the detail and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source; or
 - (iii) a part-time dependent contractor, that is an individual who works for the Company or any of its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source;
- and includes Management Company Employees and Consultants.
- (j) "Exchange" means the TSX Venture Exchange.
- (k) "Insider" means:
- (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a person that is itself an insider or subsidiary of the Company; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
 - (iv) the Company itself if it holds any of its own securities.
- (l) "Management Company Employee" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.
- (m) "Market Price" means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company's shares before the issuance of the required news release disclosing the grant of options (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company's shares before the grant of options).
- (n) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia).
- (o) "Plan" means this stock option plan as from time to time amended.

- (p) "Shares" means common shares without par value in the capital of the Company.
- (q) "Tier 1 Issuer" and "Tier 2 Issuer" have the meanings prescribed by the TSX Venture Exchange.

1.02 Gender. Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

PART 2

PURPOSE OF PLAN

2.01 Purpose. The purpose of this Plan is to attract and retain Employees, Officers and Directors and to motivate them to advance the interests of the Company by affording them the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares. The Plan is expected to benefit the Company's shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed.

PART 3

GRANTING OR AMENDING OF OPTIONS

3.01 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee (consisting of not less than two (2) of its members) appointed by the Board. Any Committee shall administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and either appoint new members in their place or decrease the size of the Committee, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of options pursuant to the Plan, except that no such member shall act upon the granting of an option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to granting options to him).

3.02 Committee's Recommendations. The Board may accept all or any part of the recommendations of the Committee or may refer all or any part thereof back to the Committee for further consideration and recommendation. Such recommendations may include, but not be limited to, the following:

- (a) resolution of questions arising in respect of the administration, interpretation and application of the Plan;
- (b) reconciliation of any inconsistency or defect in the Plan in such manner and to such extent as shall reasonably be deemed necessary or advisable to carry out the purpose of the Plan;
- (c) determination of the Employees, Officers and Directors (or their wholly-owned corporations) to whom, and when, options should be granted, as well as the number of Shares subject to each option;
- (d) determination of the terms and conditions of the option agreement to be entered into with any optionee, consistent with this Plan; and
- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to optionees without constituting a termination of employment for purposes of the Plan.

3.03 Grant by Resolution. The Board, on its own initiative or, if a Committee of the Board shall have been appointed for the purpose of administering this Plan, upon the recommendation of such Committee, may by resolution designate those Employees, Officers and Directors to whom options should be granted (unless the Committee has been authorized by the Board to pass such resolution in which case they may do as so authorized).

- 3.04 Terms of Options. The resolution of the Board, or the Committee if applicable, shall specify the number of Shares that should be placed under option to each optionee, the price per Share to be paid upon exercise of the options, and the period during which such options may be exercised.
- 3.05 Written Agreements. Every option granted under this Plan shall be evidenced by a written agreement between the Company and the optionee and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.
- 3.06 Regulatory Approvals. The Board shall obtain all necessary regulatory approvals, which may be required under applicable securities laws or the rules or policies of the Exchange. The Board shall also take reasonable steps to ensure that no options granted under the Plan, or the exercise thereof, shall violate the securities laws of the jurisdiction in which any optionee resides.
- 3.07 Amendment of Options. Options may also be amended under this Plan, whether granted under this Plan or otherwise, and the terms of this Plan shall apply mutatis mutandis.

PART 4
CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

- 4.01 Exercise Price. The exercise price of an option granted under this Plan shall not be less than the Discounted Market Price provided that:
- (a) if options are granted within 90 days of a distribution by a prospectus, the minimum exercise price of those options will be the greater of the Discounted Market Price and the per share price paid by the public investors for Shares acquired under the distribution;
 - (b) the 90 day period begins on the date a final receipt is issued for the prospectus;
 - (c) for unit offerings, the minimum option exercise price will be the 'base' (or imputed) price of the shares included in the unit; and
 - (d) for all other financings, the minimum exercise price will be the average price paid by the public investors.
- 4.02 Expiry Date. Each option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years (5 years in the case that the Company is a Tier 2 Issuer) from the day the option is granted.
- 4.03 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting options under this Plan, specify different time periods following the dates of granting the options during which the optionees may exercise their options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each optionee may exercise his option during each respective time period.
- 4.04 Number of Shares. The number of Shares reserved for issuance to any one person pursuant to options granted under this Plan, together with any Shares reserved for issuance pursuant to options granted to that person during the previous 12 months in the case that the Company is a Tier 2 Issuer, shall not exceed 5% of the issued and outstanding Shares at the time of granting of the options, provided that the aggregate number of options granted to each of the following categories of optionee:
- (a) Consultants; and
 - (b) all persons employed in investor relations activities on behalf of the Company;
- must not exceed an aggregate 2% of the issued Shares at the time of grant in any 12 month period.

- 4.05 Death of Optionee. If an optionee dies prior to the expiry of his option, his legal representatives may, by the earlier of:
- (a) one year from the date of the optionee's death (or such lesser period as may be specified by the Board at the time of granting the option); and
 - (b) the expiry date of the option;
- exercise any portion of such option.
- 4.06 Expiry on Termination or Cessation. If an optionee ceases to be a Director, Officer or Employee for any reason other than death, his option shall terminate as specified by the Board at the time of granting the option (provided however that, if the Company is a Tier 2 Issuer, his option shall terminate 90 days (but for optionees employed in investor relations activities, 30 days) after the optionee's last active working day, or such lesser period as may be specified by the Board at the time of granting the option), and all rights to purchase Shares under such option shall cease and expire and be of no further force or effect.
- 4.07 Leave of Absence. Employment shall be deemed to continue intact during any sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the optionee's right to reemployment is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the optionee's reemployment is not so guaranteed, then his employment shall be deemed to have terminated on the ninety-first day of such leave.
- 4.08 Assignment. No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any option granted to him hereunder to a trust or similar legal entity established by such optionee.
- 4.09 Notice. Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- 4.10 Payment. Subject to any vesting requirements described in each individual option agreement, options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an optionee on exercise of an option shall be paid by cash in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).
- 4.11 Share Certificate. As soon as practicable after due exercise of an option, the Company shall issue a share certificate evidencing the Shares with respect to which the option has been exercised. Until the issuance of such share certificate, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate is issued, except as provided in Part 6 hereof.
- 4.12 Vesting. Subject to the discretion of the Board, the options granted to an optionee under this Plan shall fully vest on the date of grant of such options. In accordance with the policies of the Exchange, and subject to their approval to the contrary, options issued to Consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3 month period.
- 4.13 Hold Period. In addition to any resale restrictions under applicable legislation, all options granted hereunder and all Shares issued on the exercise of such options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or

otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date]."

- 4.14 Individuals. Options may be granted only to an individual or to a company that is wholly-owned by an individual who is eligible for an option grant. Only individuals who are Directors, Officers, Consultants, Employees or Management Company Employees may be granted stock options. If the optionee is a Consultant, Employee or Management Company Employee, the Company must represent that the optionee is a bona fide Consultant, Employee or Management Company Employee, as the case may be. If the optionee is a company, it must agree not to effect or permit any transfer of ownership or option of shares of the company or to issue further shares of any class in the company to any other individual or entity as long as the incentive stock option remains outstanding, except with the written consent of the Exchange.

PART 5

RESERVE OF SHARES FOR OPTIONS

- 5.01 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be subject to issuance pursuant to options granted under this Plan shall not exceed the equivalent of 10% of the issued and outstanding Shares of the Company from time to time. In addition, all options granted outside of this Plan, which are in existence on the effective date of this Plan, shall be counted as if granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing options.
- 5.02 Sufficient Authorized Shares to be Reserved. Whenever the Memorandum or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan or otherwise. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.
- 5.03 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:
- (a) the number of Shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the outstanding Shares at the time of granting the options;
 - (b) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the outstanding Shares at the time of granting the options; or
 - (c) except in the case of a Tier 1 Issuer (or equivalent), the issuance to any one Insider and such Insider's Associates, within a one year period, of a number of Shares exceeding 5% of the outstanding Shares at the time of granting the options; or
 - (d) any reduction in the exercise price of options granted to any person who is an Insider at the time of the proposed reduction.

PART 6

CHANGES IN SHARES

- 6.01 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.
- 6.02 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.

- 6.03 Reorganization. Subject to any required action by its shareholders, if the Company shall be a party to an reorganization, merger, dissolution or sale or lease of all or substantially all of its assets, whether or not the Company is the surviving entity, the option shall be adjusted so as to apply to the securities to which the holder of the number of shares of capital stock of the Company subject to the option would have been entitled by reason of such reorganization, merger or sale or lease of all or substantially all of its assets, provided however that the Company may satisfy any obligations to an optionee hereunder by paying to the said optionee in cash the difference between the exercise price of all unexercised options granted hereunder and the fair market value of the securities to which the optionee would be entitled upon exercise of all unexercised options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied. Adjustments under this paragraph or any determinations as to the fair market value of any securities shall be made by the Board, or any committee thereof specifically designated by the Board to be responsible therefor, and any reasonable determination made by the said Board or committee thereof shall be binding and conclusive.
- 6.04 Rights Offering. If at any time the Company grants to the holders of its capital stock rights to subscribe for and purchase pro rata additional securities of the Company or of any other corporation or entity, there shall be no adjustments made to the number of shares or other securities subject to the option in consequence thereof and the said stock option of the optionee shall remain unaffected.

PART 7
EXCHANGE'S RULES AND POLICIES APPLY

- 7.01 Exchange's Rules and Policies Apply. This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the rules and policies on stock options of the Exchange and any securities commission having jurisdiction and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

PART 8
AMENDMENT OF PLAN

- 8.01 Board May Amend. Subject to Part 5 the Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then been exercised or terminated.
- 8.02 Exchange Approval. Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until accepted for filing by the Exchange.

PART 9
MISCELLANEOUS PROVISIONS

- 9.01 Other Plans Not Affected. This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers and Employees.
- 9.02 Effective Date of Plan. This Plan shall become effective upon the date on which the Company's shares are listed and posted for trading on the Exchange. However, options may be granted under this Plan prior thereto. Any option granted prior thereto may not be exercised prior to such date.
- 9.03 Use of Proceeds. Proceeds from the sale of Shares pursuant to the options granted and exercised under the Plan shall constitute general funds of the Company and shall be used for general corporate purposes.
- 9.04 Headings. The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.
- 9.05 No Obligation to Exercise. Optionees shall be under no obligation to exercise options granted under this Plan.

- 9.06 Termination of Plan. This Plan shall only terminate pursuant to a resolution of the Board or the Company's shareholders.
- 9.07 Deductions under Income Tax Act. If the Corporation is required under the Income Tax Act (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:
- (a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance; or
 - (b) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
 - (c) make other arrangements acceptable to the Corporation to fund the required tax remittance.