VICTORY RESOURCES CORPORATION

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For The Nine Months Ended November 30, 2010

The following management discussion and analysis, prepared as of January 24, 2011 should be read together with the un-audited consolidated financial statements for the nine months ended November 30, 2010 and related notes attached thereto (the "financial statements"), which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited financial statements for the years ended February 28, 2010 and February 28, 2009, and the Management Discussion and Analysis for those years. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to Victory Resources Corporation (the "Company") is available for view on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Victory Resources Corporation "the Company" is a publicly traded junior mineral exploration company whose shares are traded on the TSX Venture Exchange Inc. ("TSX-V"). The Company is engaged in the exploration of its mineral properties, located in British Columbia, Canada and its new Reforma Property located in Sinaloa, Mexico. The Company is in the development stage in respect of its exploration activities, and has no significant revenues.

Victory Resources Corporation and its wholly owned subsidiaries, Victory Resources Corporation U.S.A and Vicres Mining Mexico Sa De Cv, are referred to herein collectively as "the Company", "our", or "we".

The Company was incorporated in British Columbia on February 8, 1984. On February 28, 2005, the Company changed its name to Victory Resources Corporation.

At January 24, 2011, the Company has two wholly-owned subsidiaries, Victory Resources Corporation U.S.A., incorporated under the laws of Arizona, U.S.A. in August 2010; and Vicres Mining Mexico Sa De Cv, incorporated under the laws of Sonora, Mexico in April 2010.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the development of those reserves, and upon achieving future profitable production.

MINERAL EXPLORATION PROPERTIES

The Reforma Mine Project

On March 4, 2010 the Company executed a formal agreement (the "Reforma Agreement") whereby it has been granted an option to acquire a 70% undivided interest in the Reforma Mine property, Sinaloa, Mexico. Approval of the Reforma agreement was received from the TSX Venture Exchange on May 20, 2010

In order to earn its 70% interest, the Company is required to pay to the Owners US$300,000 (US$50,000 21 days after TSX approval and US$50,000 in intervals of six months until paid (paid $100,000 FY-2011)), issue a total of 14,000,000 common shares:2,000,000 (issued) 21 days after TSX approval and 6,000,000 on or before each of 12th and 24th month thereafter), and conduct work programs aggregating US$2,500,000 (US$500,000 by May 20, 2011), an additional US$1,000,000 by May 20, 2012, and an additional US$1,000,000 by May 20, 2013). The shares issued to the Owners in the second and third tranches (12,000,000 shares) will be pooled voluntarily with 1,500,000 shares released 12 months after TSX approval and 1,500,000 released every six months thereafter.

Upon the completion of earn-in by the Company, the parties have agreed to form a joint venture (the JV") for the purpose of the further development and exploitation of the property with the Owner to retain a carried interest for the first US$15,000,000 of JV expenditures. Thereafter, the parties will fund their further participation in the JV in accordance with their 30/70 respective interest and will be subject to standard penalties.

About the property

The Reforma property formerly owned and operated by "Industrias Peñoles S.A.B. de C.V. ("Peñoles"), of Mexico is a 6,987 hectare land package, located within the eastern portion of Sinaloa State, Mexico, in the Choix Mining District. This land package includes the formerly producing Reforma Mine as well as prospective mineralized zones hosted by the Reforma property. The Company has now received an independent National Instrument 43-101 ("NI 43-101") technical report by Ruben Verzosa on the Reforma property which addresses and clarifies certain issues relating to the Reforma Property.

In its press release of March 4, 2010 the Company referenced reserve estimates for the Reforma property made by Peñoles. It was also stated that past exploration conducted by Peñoles resulted in the delineation of the "El Chapote" mineral zone which contained a reported mineral reserve. The Company's press release of April 8, 2010 again made reference to a mineral reserve at the Reforma Mine; this was repeated in the Company's press release of June 15, 2010. A mineral resource was also identified as existing in the Reforma South mineral zone, and historical reserves identified at El Chapote were also re-classified as mineral resources. The Company's new independent report did not verify any of the historically reported resource/reserve estimates under the guidelines established by NI 43-101. As the previously disclosed estimates are not supported by the Report, the Company retracts those estimates; however, the Report will be updated as and when required by NI 43-101.

Industrias Peñoles S.A.B. de C.V. (Peñoles), the former owner and operator of the Reforma property, reported that during the 1968 to 1980 production period a total of 1,800,000 tonnes of ore was mined and processed at an average grade of 91.62 g/t Ag, 1.90% Pb, 7.44% Zn, and 0.63% Cu. . Please note that the tonnage reported is of a historic nature and cannot be relied upon until confirmed through a proper work program by the company. No other production is recorded after that date as the mine was shut down due to labor unrest coupled with deteriorating metal prices.

The Reforma property area borders two significant mineral deposits (the Bahuerachi and the Santo Tomas). The Bahuerachi property **(**which was formally owned by Tyler Resources) was purchased in 2008 by Jinchuan Group China for approximately USD$216 million. The Santo Tomas is a porphyry mineral deposit south of the Reforma property through which Bateman Engineering Prefeasibility (2003 report) reported to contain a mineral resource of some 600 million tonnes grading 0.363 % Cu (plus gold and silver credits) in the north zone and some 350 million tonnes grading 0.309 % Cu (plus gold and silver credits) in the south zone.

The Company does not have any current mineral resource or mineral reserve estimates for the Reforma property and all previously disclosed resource or reserve estimates for the Reforma property, whether contained in disseminated materials, information accessible on the internet or in information which has been otherwise made publicly available, are historical in nature and should not be relied upon until verified and supported by an independent National Instrument 43-101 compliant technical report.

The Company arranged for the preparation of an updated geological 43-101 report by an independent third party, Mr. Ruben Verzosa, P. Eng. **(**a Qualified Person (QP) as defined by National Instrument Policy 43-101). Mr. Verzosa has over 40 years of industry experience and mobilized to the Reforma property on July 28, 2010. The new report has been received and may currently be viewed on www.sedar.com

FY-2011 Exploration

In Q2-2011 the company mobilized a geological crew on its optioned Reforma Mine property located in Sinaloa, Mexico. The property zone review of the Reforma mine site, Reforma South, and El Chapote will result in recommendations for future start up production. The company is also pleased to announce it is in negotiations to purchase a mill to facilitate its future production requirement. Currently the company is negotiating on four processing mills ranging in size from 250 tonnes per day to 1000 tonnes per day.

Currently a work program is underway on the Reforma property with a crew accessing the historic underground workings of the Reforma Mine and the Reforma South mineral zone for a detailed comprehensive sampling program of the structures and mineralized areas. The workings of the El Chapote mineralized zone are being remapped preparatory to the establishment of a base map to determine an area for EM, IP, and geological surveys.

The Company commissioned an independent National Instrument 43-101 ("NI 43-101") technical report from Mr. Ruben Verzosa on the Reforma property which addresses and clarifies certain issues relating to the Reforma Property. The Company's new independent report did not verify any of the historically reported resource/reserve estimates under the guidelines established by NI 43-101. As the previously disclosed estimates are not supported by the Report, the Company retracts those estimates; however, the Report will be updated as and when required by NI 43-101.

Roads are being upgraded, as well, equipment is being purchased in preparation for further developing the known mineral zones identified by Industrias Penoles S.A.B. de C.V. (Penoles), the former Owner and Operator.

The company has learned that a major highway is currently being built to connect Chihuahua City to the port of Topolombapo. This major road will pass right through the borders of the Reforma property and will greatly enhance the accessibility to the whole area. This road is expected to be completed by May 1, 2011.

Management strategy is to continue the development of mineral zones in preparation for production on the Reforma property and to continue to develop/explore other targets on the property. The geological setting found at the Reforma area is analogous in Porphyry, Skarn, Breccia and Manto-type mineralization similar to those found at the Cananea district located in Sonora Mexico, the location of one of largest open pit copper mines in the world. The Company will proceed to implement a work program as recommended by its geological team.

Geophysical crews have been retained for an Electro Magnetic (EM) Geophysical survey and drill holes have been spotted for a planned drill program expected to commence in February 2011.

Ruben Verzosa, P. Eng., a Qualified Person (QP) as defined by National Instrument Policy 43-101, is responsible for the technical information included herein.

Toni Property, Nicola Division, British Columbia

As part of the Company's reactivation process to advance from the NEX board to the TSX-V in 2005, the Company entered into a Property Option and Joint Operation Agreement to earn an initial 50% interest in the Toni property located in the Nicola Mining Division, British Columbia with an option to acquire up to a 70% interest (amended to 100% during the year ended February 28, 2007).

Complete property exploration details for the Toni Property are available in the Company's annual MD&A for the year ended February 28, 2010 dated June 22, 2010 and filed on Sedar.

FY-2011 Exploration

The Spring/Summer 2010 exploration program on the Wen prospect of the Toni property included diamond drilling to determine the extent of the Adit Mineral Zone which was discovered in a 2008 Victory Resources Corporation diamond drill program. The Adit Mineral Zone is a gold-copper bearing quartz vein which is up to seven metres wide and was delineated by four short diamond drill holes for 20 metres along strike and 50 metres to depth. The mineral zone is open on strike and to depth. In addition, the FY-2011 drill program goal was to confirm and expand the results of a 1996 diamond drill program completed by George Resource Company in which drill hole W96-1 intersected a 6.55 metre gold-copper bearing quartz vein mineralized zone located 50 metres southeast and paralleling the Adit Mineral Zone. The mineralized intersection reportedly assayed 16.578 gm/t Au, 12.901 gm/t Ag and 0.75% Cu, with a higher grade section averaging 28.426 gm/t Au, 18.185 gm/t Ag and 0.98% Cu over 3.81 metres.

The Company completed the diamond drilling of six holes totaling 713 metres on the Wen prospect of the Toni property and has received the assay results from the sampled sections of the holes completed as detailed below.

The 2010 diamond drill program was to test the extension of the W96-1 mineralized quartz vein and to determine the extent of the Adit Zone. Drill holes 10-1, 10-2, 10-3, and 10-5 were spotted to test the localized extension of the Adit Zone within a close proximity to the 2008 mineralized intersections. Drill hole 10-4 was spotted to test the W96-1 mineralized quartz vein higher in the section and the Adit Zone 30 metres east of Adit#1. Drill hole 10-6 was spotted to test the Adit Zone 80 metres east of Adit#1. The more significant intersections and assays are as follows.

Drill Hole Number	**Azimuth**	**Dip**	**Intercept m**	**From m**	**To m**	**Au ppb**	**Cu %**
10-2	**035**	**-70**	0.80	83.40	84.10	19.30	0.04
10-3	**062**	**-55**	0.91	99.21	100.13	48.50	0.31
10-4	**020**	**-45**	3.66	70.10	73.76	108.23	0.94
		Including	1.22	70.10	71.32	240.50	1.88
10-5		**-90**	5.50	18.60	24.10	159.90	2.62
			0.60	24.10	24.70	Assays pending	
			3.00	24.70	27.70	178.50	1.36
		Including	3.10	18.60	21.60	62.00	3.17
		Including	0.60	22.90	23.50	313.70	5.98
10-6	**0**	**-55**	1.80	22.90	24.70	412.20	0.51

Drill hole 10-1 and 10-4 did not provide any indication of the W96-1 mineralized zone which probably does form a shoot with an unknown rake within the vein as Verley (1997) concluded.

Based on the results of the summer 2010 drill program, the localized Adit#1 zone is indicated to extend for a strike length of 110 metres with variable widths and copper values. The most significant widths and values are to the west as indicated in drill hole 10-5 with an intercept of a 9.1 metre (29.85 foot) mineralized zone (estimated true width of 8.2 feet) containing mineral values averaging over 2% Cu, and 160 ppb Au, with decreasing widths and values to the east as indicated in drill hole 10-6. However, the easterly trend of the Adit#1 zone is to a northerly trending 150 metre wide MMI soil anomaly which may indicate a major mineral controlling structure that could have provided the mineralization to the localized structure of the Adit#1 mineral zone.

The geological structure and results show promise on the Wen Prospect however further development work and drilling would be required. The company will seek a Joint Venture partner to further develop the Wen Property and at this time the company will focus on the development of its Reforma property in Mexico.

Mr. Laurence Sookochoff, P.Eng., a Qualified Person (QP) as defined by National Instrument Policy 43-101, is responsible for the technical information included herein.

FINANCING

In Q1-2011 the Company received TSX Venture Exchange approval and closed the first tranche of a working capital private placement to qualified investors for gross proceeds of $1,445,000. The Private Placement resulted in the issuance of 5,780,000 units at a price of $0.25 per unit; each unit consists of one common share and one half of one share purchase warrant. A full warrant entitles the holder to acquire one additional share at a price of $0.40 for 24-months expiring on May 17, 2012.

In Q3- 2011 the Company issued 4,045,000 units pursuant to a private placement for aggregate proceeds of $1,011,250 at a price of $0.25 per unit; each unit consists of one common share and one half of one share purchase warrant. A full warrant entitles the holder to acquire one additional share at a price of $0.40 for 24-months expiring on October 27, 2012.

The total of both tranches of the non-brokered private placement resulted in the issuance of 9,825,000 units at a price of $0.25 per unit; each unit consists of one common share and one-half of one share purchase warrant. All securities issued are subject to a hold period of four months from closing.

The Company paid finders' fees of $132,500 in cash and related listing and filing fees of $14,475 for both tranches of private placements.

In YTD-2011 the Company has issued 2,143,257 shares pursuant to the exercise of warrants for cash consideration of $214,326. The Company received $15,000 for the exercise of warrants in the year ended February 28, 2010 with the warrants issued in FY-2011

Financing shortfall/surplus

At November 30, 2010, the Company had working capital of $862,477. At January 24, 2011 the Company has working capital of $804,785.

INDUSTRY AND ECONOMIC FACTORS AFFECTING COMPANY PERFORMANCE

Victory operates in the Canadian junior resource industry. Within that industry, Victory competes with thousands of companies, many of them significantly larger, for corporate resources such as properties, geological, exploration and drilling services; and equity capital. Of particular impact to Victory is that it has to compete in this industry with other firms that have greater resources and more advanced properties.

The availability of equity financing for early-stage exploration programs such as ours is a major factor that will significantly determine company performance in FY-2011 and beyond.

The Company's access to financing is not certain and there can be no assurance of continued access to adequate equity funding on acceptable terms. Management believes that we will be able to obtain the capital necessary to continue as a going concern.

Victory's business model – early-stage exploration – is plainly a high risk business model. Victory is exposed to considerable geological risk – the risk that our properties do not host economic mineral reserves – as well as operational risk, and financing risk. This business model requires commensurately high-risk equity capital. Victory is reliant on its ability to raise finances, a continued decrease in the supply of available capital due to systematic factors such as macro-economic slow-down or capital market disruption would materially impair our business model.

In addition to the general financing risks common to all exploration enterprises, the early, unproven stage of our property assets add particular uncertainty as to the likelihood of obtaining future financing on acceptable terms.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Liquidity

Junior resource companies often tend towards liquidity shortfalls, as their major assets are, by definition, exploration properties which are long-term and illiquid by nature and are not revenue generating

During the nine months ended November 30, 2010, the year ended February 28, 2010 and the year ended February 28, 2009, the Company financed its operations primarily through the issuance of common shares, the exercise of stock options and warrants.

The Company continues to seek capital through various means including the issuance of equity and/or debt.

Capital Resources

As our exploration-stage properties are not revenue generating, the Company's sole source of long-term funding has traditionally been the issuance of common shares for cash, primarily through private placements to sophisticated investors.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs, on occasion, and are not intended to be a long-term source of capital.

Commitments

At January 24, 2011, the Company has the following significant commitments:

Mineral Property commitments

In order to keep its Canadian mineral properties in good standing to November 30, 2011, the Company must make property payments to the Province of British Columbia totaling approximately $251 in cash plus file work valued at approximately $2,510 (incurred) between September and November 2011.

In order to meet the terms of its Option agreement and earn its 70% interest in the Reforma Property the Company must make the remaining cash and share payments and complete work programs as detailed below:

Cash payments	**Shares to be issued**	**Work Program commitment**
US$100,000 due May 20, 2011	6,000,000 shares by May 20, 2011	US$1,000,000 by May 20, 2012
US$ 100,000 due May 20, 2012	6,000,000 shares by May 20, 2012	US$1,000,000 by May 20, 2013

Flow through share commitments

Pursuant to the terms of the subscription agreements of the private placement equity financing conducted during the year ended February 28, 2010, the Company must incur Canadian exploration expenditures totalling approximately $56,750 by December 31, 2010, or face penalties and liabilities to its flow-through subscribers. The Company has completed all required expenditures.

Investor relations firm commitment

On June 16, 2010 the Company announced that it has enlisted the services of San Diego Torrey Hills Capital, Inc. ("Torrey") to act as investor relations consultants on behalf of The Company. Torrey's primary functions is to develop, coordinate, manage and execute a comprehensive corporate finance and investor relations campaign for the Company; to expand awareness amongst retail buyers and enhance the Company's corporate image amongst interested parties.

The Company agreed to pay Torrey US$5,000 per month for a renewable term of 6-months, and issued to Torrey 200,000 incentive stock options (with vesting restrictions in compliance within the guidelines of the TSX Venture Exchange). This agreement was not renewed at the renewal date but is currently being reviewed by the Company directors with possible re-implementation in the future.

Management Contracts

On January 1, 2010 the Company entered into a 12 month management contract with the President of the Company for $5,000 per month for management fees and $5,000 per month for project management fees. This contract automatically renewed for an additional one year term on January 1, 2011 as per the signed agreement.

Other

Overhead expenses accrue at approximately $78,000 (YTD-2010 $19,000) per month. This is an increase of approximately $59,000 per month compared to YTD-2010. This increase is substantially due to increased travel and office costs relating to the new Reforma Mine Project, the operations costs for the new office in United States, increased expenses related to filing fees and fund raising efforts, new investor relations costs, an increase in management fees and the addition of Directors fees of $2,000 per month.

The Company has no capital lease obligations, operating leases or any other long-term debt at November 30, 2010 or January 24, 2011 not included herein.

RELATED PARTY TRANSACTIONS

During the nine months ended November 30, 2010, the Company entered into transactions with related parties as follows:

a) Paid or accrued $45,000 (2009 - $22,500) in management fees to a company controlled by the President of the Company for his services as per a contract dated January 1, 2010 for twelve months.

b) Paid or accrued $45,000 (2009: $22,500) in project management fees to a company controlled by a director of the Company. This amount is classified as deferred exploration expenditure, a component of mineral properties.

c) Paid or accrued $86,150 (2009 - $17,000) in exploration expenses to a private company controlled by a director of the Company. These amounts are included in deferred exploration expenditures, a component of mineral properties.

d) Paid or accrued $9,000 (2009 – nil) in consulting fees to a Director of the Company, a component of professional fees.

e) During the period ended November 30, 2010, the Company paid or accrued $17,500 (2009: $Nil) in directors' fees.

f) Paid or accrued $Nil (2009 - $1,800) in office rental charges to a Company related through a common director.

g) Paid or accrued $29,120 (2009 – nil) in wages to a Director of the Company.

h) Victory received $97,500 in cash from a company with directors in common. Included in this amount was $90,000 in proceeds from the sale of equipment, and $7,500 for miscellaneous billings. The Company recorded a $3,548 gain on the sale of equipment.

These charges are measured by the exchange amount which is the amount agreed upon by the transacting parties.

The amounts due from/to related parties are non-interest bearing, unsecured and due on demand; they are comprised of the following:

	November 30, 2010	February 28, 2010
Receivable		
Due from a company controlled by a Director	**$24,777**	$ -
Payable		
Due to director(s) or companies controlled by Director(s)	**$52,745**	$92,032

The amount due from a related party relates to exploration advances received by a private company controlled by a Director of Victory which are expected to be applied against exploration work in the current year.

The amounts due to related parties are due to directors, their private companies, and/or a public company controlled by Directors of Victory. They are unsecured, non-interest bearing and have no specific terms of repayment. Included in these amounts are unpaid director fees, management fees and mineral property costs.

SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information presented herein has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assume the Company will realize its assets and discharge its liabilities in the normal course of business.

Results of Operations – three and nine month comparatives (unaudited)

Administrative Expenses

	Three months ended November 30,			Nine months ended November 30,		
	2010	2009	Variance	2010	2009	Variance
	$	$	$	$	$	$
Amortization	13,307	129	13,178	22,947	2,282	20,665
Management fees	21,000	12,500	8,500	62,500	22,500	40,000
Wages and benefits	72,881	-	72,881	108,341	-	108,341
Office rent and miscellaneous	51,676	18,169	33,507	165,373	37,331	128,042
Professional fees	66,232	45,705	20,527	221,686	87,307	134,379
Investor relations	15,886	-	15,886	32,387	-	32,387
Stock-based compensation	13,829	-	13,829	128,066	-	128,066
Transfer agent and filing fees	4,745	9,099	(4,354)	35,042	18,906	16,136
Travel and entertainment expenses	22,736	4,802	17,935	88,011	5,845	82,166
Loss from operations for the period	282,292	90,404	191,888	864,353	174,171	690,182

Significant changes in expenses in the three and nine months ended November 30, 2010 compared to the same period in 2009 are as follows:

Amortization

Amortization of equipment increased by $20,665 in YTD-2011 vs YTD-2010 due to equipment additions valued at $173,235 during the period.

Management fees

	Three months ended November 30,			Nine months ended November 30,		
	2010	2009	Variance	2010	2009	Variance
	$	$	$	$	$	$
Management Fee	15,000	12,500	2,500	45,000	22,500	22,500
Director Fees	6,000	-	6,000	17,500	-	17,500
	21,000	12,500	8,500	62,500	22,500	40,000

Management fees increased in YTD-2011 vs YTD-2010 as the Company entered into a 12 month management contract with the President of the Company for $5,000 (2009 - $2,500) per month for management fees, effective January 1, 2010. Management fees increased in Q3-2011 vs Q3-2010 as the Company had not accrued or paid for two months of management fees in Q2-2010 but subsequently included them in Q3-2010.

The company began to pay or accrue directors fees in the amount of $500 per month per director beginning in Q1-2011 which had not been paid or accrued in the prior fiscal year.

Wages and benefits

Wages and benefits are recorded in nine months ended November 30, 2010 as the Company hired two employees beginning in Q1-2011 and one in Q3-2011; it had no employees in FY-2010.

Office rent and miscellaneous

	Three months ended November 30,			Nine months ended November 30,		
	2010	2009	Variance	2010	2009	Variance
	$	**$**	**$**	**$**	**$**	**$**
Advertising & Promotions	11,394	5,436	5,958	44,994	4,999	39,995
Office Expenses, rent & supplies	29,970	10,766	19,204	93,575	29,890	63,685
Telephone	8,741	586	8,155	23,694	947	22,746
Interest & bank charges	1,571	1,382	189	3,110	1,495	1,616
	51,676	18,169	33,507	165,373	37,331	128,042

- Advertising and promotion expenses increased substantially in YTD-2011 vs YTD-2010 due to costs incurred in preparation of a powerpoint presentation and presentations made to prospective investors for fundraising purposes. The Company also signed a twelve month marketing agreement with an arms-length party for $2,708 per month.
- Office expenses, rent and supplies increased in YTD-2011 vs YTD-2010 mostly due to increased labor and supplies costs associated with the acquisition of the Reforma property and the establishment of a new office in the U.S.
- Telephone costs increased due to higher communications costs relating to the acquisition and development of the Reforma property in Mexico and the new US office.
- Bank charges increased in YTD-2011 vs YTD-2010 as the Company currently pays its foreign suppliers by USD wire transfers.

Professional fees

	Three months ended November 30,			Nine months ended November 30,		
	2010	2009	Variance	2010	2009	Variance
	$	**$**	**$**	**$**	**$**	**$**
Audit fees	6,250	2,652	3,598	26,834	6,926	19,908
Consulting fees	3,000	2,200	800	67,026	2,200	64,826
Staff accounting	14,024	8,505	5,519	33,869	36,855	(2,986)
Legal fees	42,958	14,242	28,716	93,957	23,220	70,737
Due Diligence Exploration	-	18,106	(18,106)	-	18,106	(18,106)
	66,232	45,705	20,527	221,686	87,307	134,379

- Audit fees for FY-2011 are being accrued on a quarterly basis whereas in FY-2010 they were posted at year end.
- In FY-2011 the Company found it necessary to employ consultants in order to carry out the higher volume of work resulting from the Reforma property acquisition whereas consultants were not required in the same period in FY-2010.
- Staff accounting fees decreased in YTD-2011 vs YTD-2010 due to lower contract fees negotiated in August 2009. Staff accounting increased in Q3-2011 vs Q3-2010 as accounting staff was hired for the Mexican subsidiary company in Q3-2011.
- Legal fees were incurred in respect of the Reforma property acquisition and other corporate matters.

Investor relations

The Company entered into a six month Investor Relations agreement with an arms-length party for $5,000 per month beginning Q2-2011.

Stock-based compensation

Stock-based compensation was incurred in FY-2011 as the Company granted 778,000 stock options to its executive officers, directors, employees and consultants in Q1-2011, including 100,000 investor relations vested stock options. The fair value of the options granted was $128,066, calculated by using the Black-Scholes option pricing model.

Transfer agent and filing fees

	Three months ended November 30,			Nine months ended November 30,		
	2010	2009	Variance	2010	2009	Variance
	$	$	$	$	$	$
Filing fees	1,442	3,800	(2,358)	23,319	5,686	17,633
Sustaining fees	1,250	-	1,250	3,750	5,000	(1,250)
Transfer agent fees	2,053	5,299	(3,246)	7,973	8,220	(247)
	4,745	9,099	(4,354)	35,042	18,906	16,136

- Filing fees were incurred in respect of an application for approval of a property acquisition, the filing of the annual stock option plan and other miscellaneous filing fees.
- The company accrues sustaining fees in the amount of $1,250 per quarter, beginning in Q1-2011. In fiscal 2010 the Company did not accrue the costs quarterly but posted annually.
- Transfer agent fees incurred in respect of share issuance costs from private placements, exercise of options and warrants.

Travel and entertainment expenses

Travel and entertainment expenses increased mainly due to increased travel required to complete financings, establish the new office in the U.S. and to acquire the Reforma Mine Property.

General

Other variations in expenses in the periods presented reflect the variation inherent in normal course operations. We expect other items to remain at relatively constant levels, as these primarily reflect recurring operational expenses that do not vary significantly within a certain range of corporate and exploration activity.

Eight Quarter Summary, unaudited

	Three Months Ended November 30, 2010	Three Months Ended August 31, 2010	Three Months Ended May 31, 2010	Three Months Ended February 28, 2010
Total assets	$ 3,416,313	$ 3,174,226	$ 1,339,600	$ 1,354,670
Working capital (deficiency)	862,477	894,534	1,199,942	(67,246)
Shareholders' equity	3,269,040	3,108,499	2,641,340	1,158,416
Net loss	272,174	230,356	352,263	702,314
Loss per share	0.01	0.01	0.01	0.04

	Three Months Ended November 30, 2009	Three Months Ended August 31, 2009	Three Months Ended May 31, 2009	Three Months Ended February 28, 2009
Total assets	$ 1,078,029	$ 921,027	$ 889,005	$ 891,328
Working capital (deficiency)	34,789	(129,064)	(290,468)	(235,610)
Shareholders' equity	885,685	765,685	590,893	637,778
Net loss	90,403	34,761	48,885	(398)
Loss per share	0.01	0.00	0.00	0.00

Significant changes in key financial data during fiscal 2011 are due to private placements completed in Q1-2011 and Q3-2011 and the Reforma property acquisition and associated costs as well as exploration expenditures capitalized during the nine months ended November 30, 2010.

Significant changes in key financial data during fiscal 2011 and 2010 can be attributed to the operating cycle of the exploration stage activities performed by the Company and additions of stock based compensation expenses in various periods. Total assets are mainly comprised of deferred mineral property costs and cash.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments at November 30, 2010 consist of:

- Cash *(Held for trading financial instruments);*
- Taxes recoverable and amounts due from related parties (*loans and receivable);*
- Accounts payable and accrued liabilities (*financial liabilities);*
- Amounts due to related parties *(financial liabilities)*
- Exploration advances *(financial asset*)

Information on these financial instruments as provided as follows:

Held for trading financial instruments

A financial asset or financial liability held for trading is a financial asset or financial liability that acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

At November 30, 2010, the Company has short term cash available totaling $607,715. The Company does not believe it is subject to material risk in respect of its cash as 95% of its cash is held in demand accounts at a Canadian Chartered bank. The remaining cash balances are held in its Mexican and USA bank accounts

Loans and receivables

Accounts receivable and other miscellaneous receivables are classified as loans and receivables. They are measured at fair value and changes in fair value are recognized in comprehensive loss. At November 30, 2010, Goods and services tax and harmonized sales tax recoverable and amounts due from related parties are classified as loans and receivables.

Financial liabilities

Accounts payable and accrued liabilities, and amounts due to related parties are classified as financial liabilities and are measured at face value. Management has determined that the face value of financial liabilities approximates fair value due to the expected short-term maturity of the debts.

The Company's financial liabilities primarily constitute trade payables owing to both arms' length and related parties, and loans payable. These are unsecured and, excepting normal trade credit terms, are due on demand.

The Company believes the fair value of its financial liabilities approximate their carrying values primarily due to their short-term nature. There are no quoted market prices from active markets for any of the financial liabilities held by the Company and thus fair values were assessed using valuation techniques consistent with generally accepted accounting principles. As the Company does not generate revenue, it intends to reduce its financial liabilities by re-financing through additional share issuances.

CURRENT SHARE DATA

As at January 24, 2011 the Company has 44,391,385 common shares issued and outstanding of which 200,000 are held in escrow.

In Q1-2011 the Company issued 5,780,000 common shares through a private placement and 862,900 common shares upon the exercise of warrants.

In Q2-2011, the Company issued 2,000,000 common shares to the owners of the Reforma Property as per agreement.

In Q3-2011 the Company issued 4,045,000 common shares through a private placement and 567,857 common shares upon the exercise of warrants.

Subsequent to Q3-2011 the Company issued 1,162,500 common shares upon exercise of warrants.

At November 30, 2010 the Company has 18,058,202 warrants and 3,462,812 stock options outstanding. At January 24, 2011 the Company has 3,462,812 stock options and 17,045,702 warrants outstanding.

LIST OF DIRECTORS AND OFFICERS AT JANUARY 24, 2011

Wally Boguski, President, CEO, director
Laurence Sookochoff, CFO and Director
Paul Lee, Director
Alphonse J. Ruggiero, Director

ADVISORY COMMITTEE

The Company appointed of Mr. R.W. (Bob) Cunningham to its Board of Advisors in Q1-2011. Mr. Cunningham is Chairman of the Board, President/Chief Executive Officer of Century Properties Inc., a Multi-million dollar property development and investment company based in Winnipeg, Manitoba since 1972. He is also President and Chief Executive Officer of Cunningham Business Interiors Ltd., an office furniture and interior design company which is among the largest and most successful in the Prairie Provinces since its formation in August, 1964. The Company is currently interviewing potential advisory board candidates from Mexico who have a strong knowledge base in regard to our Mexican operation in order to advance the business in a timely manner.

CHANGE IN ACOUNTING POLICIES

Accounting policies are as disclosed in the annual financial statements of the Company as at February 28, 2010. New accounting standards were required to be adopted by the Company during the nine months ended November 30, 2010 as below:

Foreign Currency Translation

The Company follows the temporal method of foreign currency translation. Monetary assets and liabilities are translated at the foreign exchange rate observed at the balance sheet date. Non-monetary items are translated at the historical exchange rates, unless such items are carried at market in which case they are translated at the exchange rate in effect at the balance sheet date. Revenues and expense items are translated at the exchange rate in effect on the dates they occurred.

Recent Canadian accounting developments

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Section 1582, "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The adoption of this standard is not expected to have a material effect on the Company's financial statements.

In January 2009, the CICA issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The adoption of this standard is not expected to have a material effect on the Company's financial statements.

International financial reporting standards

The Canadian Accounting Standards Board ("AcSB") has published a strategic plan that calls for the convergence of Canadian GAAP (Generally Accepted Accounting Principles) with IFRS over an expected five year transitional period commencing 2006. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. As the Company has a non-calendar fiscal year it will be required to produce the first IFRS financial statements in the first quarter of its 2013 fiscal year (the quarter ending May 31, 2012). The transition date of March 1, 2012 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2012. While the Company has begun assessing the adoption of IFRS for 2013, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Though IFRS uses a conceptual framework similar to Canadian GAPP, there are some significant differences on recognition, measurement and disclosure requirements. The Company is currently evaluating the impact of the transition to IFRS on its financial reporting, internal control systems and business activities and ensuring the appropriate personnel, resources, and training are in place to ensure an efficient transition.

In particular the Company is studying the impact of applying the following IFRS standards: IFRS 1 First-time Adoption of IFRS, IFRS 6 Exploration for and Evaluation of Mineral Resources, IFRS 2 Share-based Payment, IFRS 7 Financial Instruments: Disclosures, IAS 8 Accounting Policies, and Changes in Accounting Estimates and Errors, IAS 16 Property, Plant and Equipment, and IAS 24 Related Party Disclosures.

Management is currently developing its plans for the transition to IFRS. Key elements include analyzing IFRS accounting policy alternatives, business activities impacted by accounting processes and information system changes.

The following program and timeline has been developed for the Company's transition to IFRS.

Activity	Target Completion
Identify significant differences between GAAP and IFRS and key conversion issues	Q1 2012
Develop position papers for identified GAAP differences, and select accounting policy alternatives	Q2 2012
Select IFRS accounting policies	Q3 2012
Assess systems impact of accounting policies	Q3 2012
Restate fiscal 2012 quarterly information, for fiscal 2013 comparative reporting	Q4 2012

Management has not as yet finalized its accounting policies and accordingly is unable to determine the full effects of adopting IFRS to its consolidated financial statements.

The Company's IFRS implementation project will be completed by a combination of in-house resources and external consultants.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the quarterly un-audited financial statements and this accompanying Interim MD&A (together the "Quarterly Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements.

Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, assumptions regarding the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements and assumptions regarding the Company's mineral properties.

Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of mineral properties, exploration results, commodity market conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the British Columbia Securities Commissions on www.sedar.com

PRESIDENTS MESSAGE

The Management team would like to thank the shareholders for their support in the company's quest for discovering a major deposit. Management's goal is to pursue different opportunities in order to enhance shareholder value. Victory Resources Corp. executed an agreement (the "Reforma Agreement") whereby it has been granted an option to acquire a 70% undivided interest in the Reforma Mine property, Sinaloa, Mexico.

The Reforma property formally owned and operated by "Industrias Peñoles S.A.B. de C.V. (Peñoles), of Mexico is a 6,987 hectare land package, located within a regional northwest trending graben structure which extends through eastern portion of Sinaloa State, Mexico in the Choix Mining District.

Management strategy and primary focus will be to continue the development of mineral zones in on the Reforma property and to continue to develop/explore other targets on the property. The companies' geological team is very positive regarding the Reforma property indicating that it has huge blue sky potential.

Currently, the company continues an active surface program on the Reforma property consisting of establishing Grid lines for the commencement of a EM Geophysical Survey. Drill holes locations have been spotted in preparation for a drill program planned to commerce in February, 2011.