

VICTORY RESOURCES CORPORATION

President's Message

Investor interest in mining stocks has fallen to a shocking low and there is no consensus on when that will change, or what catalysts will be required to reinvigorate junior resource markets.

The lack of interest in junior mining is largely due to combination of influences; weaker metals prices partially driven by slowing Chinese demand, self-inflicted financial damage by junior mining companies through poor cost control or overspending on inappropriate acquisitions, adverse government intervention, discoveries becoming more remote or difficult to develop (most of the easily found and extracted minerals have been taken), anti-mining activists, aboriginal land claims, treaty issues and so on.

Present management inherited a company which was unfortunately a victim of most of the above and, against all odds, we have survived to date.

After abandoning Mexico, we continued to explore our copper property in Aspen Grove.

Based upon previous drill core intercepts containing significant mineralized copper intervals, the property has genuine exploration and discovery potential. There are drill ready targets on the core group of claims which have been maintained to date but we don't know for how much longer.

Significant property positions are expensive to acquire and maintain; this obviously requires cash, or the ability to raise it as required.

Your company is presently trading at between \$0.005 and \$0.02 and there are over one hundred million shares outstanding.

TSX Venture Exchange rules preclude the Company from undertaking a sub penny financing which, in any event, begs the question:

Why would anyone pay for stock that they could easily buy cheaper out of the market without a hold period?

With the present state of affairs, we are in effect paralyzed.

We cannot raise money due to our bloated share structure and at the same time remain in an industry which requires significant capital to survive.

Mining exploration is a difficult industry going through difficult times.

Management and existing board members are presently the only ones contributing the time, professional services and money necessary to keep things going. The status quo is not sustainable and, failing a full scale reorganization, the Company is unlikely to survive much longer.

However; the failure of your Company does not have to happen.

The most essential and significant step in our reorganization plan is to consolidate the Company's share capital; in this regard we are proposing **up to** a 25 old share for 1 new share ratio which will leave in the order of four million shares outstanding after completion. As a result, our share price should immediately settle at a level where the Company is again financeable.

The exact ratio which is ultimately settled upon will be a number (up to 25:1) which will allow us to satisfy the TSXV distribution rule that requires the Company to have no fewer than 150 shareholders, each of whom owns no fewer than 1,000 shares, following the consolidation.

Management recognizes that a share consolidation will have the effect of raising a shareholder's cost per share by a factor equal to the consolidation ratio. For shareholders who acquired their Company shares at higher levels, this may be a bitter pill to swallow.

Rest assured that management has every intention of closely guarding its new share treasury jealously and striving to achieve a near term share pricing structure and level of trading activity that will provide liquidity and much greater opportunities for capital growth. In addition, we intend to offer loyal shareholders the opportunity to acquire new positions if they wish to average down and/or help finance the revitalized Company as it move forward.

Another business?

In the event that the mine financing outlook does not improve, rather than raising money in difficult circumstances, throwing good money after bad and continuing down the same path by trying to finance our copper drilling program, we are giving serious thought to products and industries, both in and out of mining, that appear to be poised for explosive growth. Without limitation, we are reviewing:

- Cobalt Exploration
- Zinc Exploration
- Green Energy
- Cannabis Industry - driven by the impending legalization of recreational marijuana in Canada

We have proposed a concurrent name change to allow us the flexibility to choose a new direction.

In the event of a change of business out of mining exploration, it is likely that a separate shareholder's meeting would be required in order to seek shareholder approval to the terms of any resulting transaction; however, without an appropriate capital structure and some financing we will not even be capable of reviewing opportunities, let alone making any tentative arrangements with industry partners or ultimately moving on to the shareholder approval stage should it be required.

This is a crucial yet exciting period for your Company and we are counting on your support for our initiatives.

We hope to see you at the meeting where all remaining questions will be answered.

Respectfully,

Roger Frost, CEO