VICTORY RESOURCES CORPORATION
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
For the Period Ended November 30, 2017

The following management discussion and analysis, prepared as of January 15, 2018 should be read together with the unaudited condensed consolidated interim financial statements for the period ended November 30, 2017 and related notes attached thereto (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting. All amounts are stated in Canadian dollars unless otherwise indicated. Readers may also want to refer to the February 28, 2017 audited financial statements.

Effective October 23, 2017, the Company consolidated its common shares on a 25:1 basis. The condensed consolidated interim financial statements and the MD&A for the period ended November 30, 2017 were retrospectively adjusted to reflect the share consolidation.

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 is available for view on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

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

Victory Resources Corporation and its subsidiaries, are referred to herein collectively as "Victory", "the Company", "our", or "we".

The Company was incorporated in British Columbia on February 8, 1984. On May 31, 2005, the Company changed its name to Victory Resources Corporation.

The Company has one wholly-owned subsidiary, VicRes Mining Mexico S.A. de C.V., incorporated under the laws of Sonora, Mexico in April 2010. During the year ended February 28, 2017, the Company dissolved its wholly-owned subsidiary, Victory Resources U.S.A.

The Company is focused on exploring and developing its mineral properties in Canada 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

Toni Property, Nicola Division, British Columbia

The Company has a 100% interest in a prospective mineral property know as the "Toni Property", subject to a 2% net smelter return royalty. The Company holds key claims known as the AW NORTH, the AW EAST and the MalWen corner, comprising 1,620 hectares which presently make up the Toni Property.

A spring/summer 2010 exploration program included diamond drilling to determine the extent of the Adit Mineral Zone which was discovered in a 2008 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 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**	9.10	18.60	27.70	158.99	2.14
		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 Mobile Metal Ion (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.

In November 2014 the Company completed an induced potential geophysical survey (IP Survey) over the designated Queen Zone between the Wen and the Au-Wen zones of the Toni property located 30 kilometres south east of Merritt, and eight kilometres east of the historic Aspen Grove mining camp in south central British Columbia.

The purpose of the survey was to verify the best results of an IP Survey completed in 1968 by Barringer Research within an anomalous IP zone of approximately one kilometre wide (east-west), one kilometre long (north-south) as reported by Roger Caven, Geophysicist and indicated as L56S on a map. The chargeability readings of the one kilometer wide anomalous zone are up to 24.0 ms. The anomalous zone extends to L68S or 1,200 feet (365 metres) and open to the south.

A core assay from a 1968 drill-hole completed on a 7.0 ms IP chargeability of the same IP Survey two kilometres north of L56S returned 33 metres of 0.344% copper. The higher anomalies of the IP Survey were reportedly not drilled due to lack of funding.

Minfile records respecting the AU-WEN report historical gold assays in chip samples ranging from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres; grab and select samples assayed between 14.4 and 91 grams per tonne gold. The best drill core intersection assayed 4.97 grams per tonne gold over 1.5 metres. This mineral zone has yet to be explored by the Company.

Minfile records respecting the WEN report historical results from a 1.5-metre chip sample from Adit #1 which assayed 4.39 per cent copper, 92.6 grams per tonne silver, and 0.7 gram per tonne gold. A grab sample from the Adit zone assayed 4.84 per cent copper, 46.6 grams per tonne silver and 0.7 gram per tonne gold. A drill core sample (hole HNS 72-1) assayed 1.12 per cent copper and 3.4 grams per tonne silver.

In a 1996 exploration program by George Resources on the WEN, one of 16 diamond drill holes, W96-1, intersected a 6.55 metre quartz zone which reportedly returned assays of 16.578 gm/t Au, 0.75% Cu, and 12.901 gm/t Ag (Verley, 1997). This intersection was designated as the Main vein and was located 55 metres south-southeast of Adit #1, one of the three adits on the WEN.

In 2010 the Company's diamond drill program tested for the extension of the Adit #1 mineral zone. The drilling confirmed the mineral zone extension in the intersection of 5.50 metres assaying 2.62% Cu (refer to the Company's news release dated August 26, 2010). The mineral zone is open to the southwest.

The Company conducted an October 2014 IP program on the newly designated Queen Zone, located between the Wen and the Au-Wen zones, which consisted of a 3.4 km line of IP, magnetometer, and self-potential surveys.

The program was very successful in delineating and correlating the results of a 1968 IP survey completed by Barringer Geophysics for Consolidated Skeena Mines which results indicated an anomalous IP zone approximately one kilometre wide (east-west), one kilometre long (north-south) as reported by Roger Caven, Geophysicist. The chargeability readings of the anomalous zone were up to 24.0Ms. This IP zone was never drill tested, however, 1968 drilling on an anomalous IP zone with a chargeability of 7Ms (in a background of approx. 2Ms; W.M. Sharp, 1969) located one kilometre north of the 2014 IP survey, reportedly returned values of 0.39% copper over 100 feet in addition to other well-defined intercepts.

The 2014 IP survey confirmed and surpassed previous results, with an IP anomaly about 1km wide with a maximum apparent chargeability of 39Ms.

The Aspen Grove Camp has once again become one of the recognized areas for a potentially economic mineral zone in the prime geological porphyry belt which includes the recently reactivated Copper Mountain mine located 55 kilometres to the south and the world class Highland Valley mine located 75 kilometres to the north, in addition to other producers, past producers and pending producers.

Due to the high costs of holding a large land package in during times of difficulty for junior explorers, the Company has reduced the Toni Property to the essential core claims and has let the balance lapse. The Company hopes to raise the necessary funds to allow it to conduct a new work program on the property in the near future.

Rich Lake Property, Thunder Bay, Ontario

During the year ended February 29, 2016, the Company acquired claims designated as the Rich Lake Lithium Property, located 360 kilometers north of Thunder Bay - 20 kilometers from Fort Hope, in North-Central Ontario. In June 2016, the Company increased its land holdings through staking. The property is comprised of 8 claims, of 1344 hectares.

The property is situated within the Fort Hope greenstone belt which, an area known to host numerous pegmatite dykes. This area has been explored for their lithium and precious metal mineralization since the 1950's.

During the year ended February 28, 2017, the Company entered a joint venture with Urban Mining Ventures Inc. to earn 25% of the mineral rights on the Rich Lake Lithium Property. Due to non-performance, the joint venture was terminated and the Company retains 100% ownership of the property.

The Reforma Mine Project

The Company retains ownership of 70% of the Reforma property (“Reforma”), located at the common boundary of Sinaloa and Chihuahua States, in west central Mexico.

During the year ended February 28, 2014 the Company determined the Reforma Project to be impaired and wrote down the carrying value of the Reforma Project to $1. The Company has earned 70% interest in the Reforma property and is currently in discussions to joint venture or sell the property outright.

Financing shortfall/surplus

At November 30, 2017 the Company had working capital deficiency of $1,173,030 (February 28, 2017 - $922,048).

INDUSTRY AND ECONOMIC FACTORS AFFECTING COMPANY PERFORMANCE

The Company operates in the Canadian junior resource industry. Within that industry, the Company 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 the Company 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-2018 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.

The Company’s business model – early-stage exploration – is plainly a high risk business model. The Company 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

Continuance of Operations and Going Concern

The Company has financed its operations primarily through the issuance of common shares, loans proceeds and advances from related parties. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favorable to the Company. Accordingly these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

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 period ended November 30, 2017, the Company continued 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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

RELATED PARTY TRANSACTIONS

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
VicRes Mining Mexico S.A. de C.V.	Sonora, Mexico	100%	Mineral exploration

The remuneration of directors and other members of key management personnel during the period ended November 30, 2017 and 2016 are as follows:

	November 30, 2017	November 30, 2016
Salaries and directors fees	$ 52,860	$ 60,520
Management fees	35,000	45,000
Exploration expenses (i)	21,000	57,000
Accounting fees	13,850	16,000
Legal fees, charged to professional fees	122,786	18,573
Administration, charged to office and administration	42,500	-
Rent expense, charged to office and administration	4,500	4,500
	$ 292,496	$ 201,593

(i) Capitalized in exploration and evaluation assets.

The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

The amounts due to the related parties are as follows:

	November 30, 2017	February 28, 2017
Due to directors and officers	$ 179,973	$ 288,797
Due to Crystal Lake Mining (i)	2,437	2,437
Due to from other related parties	32,668	168
	$ 215,078	$ 291,402

(i) Company with common directors

The amounts owing are unsecured, non-interest bearing and have no fixed term for repayment.

Results of Operations

For the nine months ended November 30, 2017

Below are the significant changes in expenses when comparing the nine month period ended November 30, 2017 to the nine month period ended November 30, 2016:

- Gain on forgiveness of debt decreased to $Nil (2016 - $286,913) due to settlement of payables and related party dues with a director of the Company during the same period in the prior year.
- Office and administration of $47,135 (2016 - $9,847) increased in the current period as a result of increased activities including the restructuring.
- Professional fees increased to $150,631 (2016 - $70,112) as a result of legal fees incurred related to private placements and corporate activities, including the AGM and share consolidation, during the current period.
- Travel decreased to $5,678 (2016 - $27,666) as a result of less trips taken by directors and officers during the current period.
- Other variations in expenses in the period 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.

For the three months ended November 30, 2017

Below are the significant changes in expenses when comparing the three month period ended November 30, 2017 to the three month period ended November 30, 2016:

- Gain on forgiveness of debt decreased to $Nil (2016 - $3,102) due to settlement of payables and related party dues with a director of the Company during the same period in the previous year.
- Management and directors fees decreased to $10,500 (2016 - $21,000) as a result of decreased number of directors during the current period.
- Office and administration of $50,238 (2016 - $3,021) increased in the current period as a result of increased activities including the restructuring.
- Professional fees increased to $102,496 (2016 - $35,974) as a result of legal fees incurred related to private placements and corporate activities, including the AGM and share consolidation, during the current period.
- Travel decreased to $194 (2016 - $7,408) as a result of less trips taken by directors and officers during the current period.
- Other variations in expenses in the period 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.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended November 30, 2017	Three Months Ended August 31, 2017	Three Months Ended May 31, 2017	Three Months Ended February 28, 2017
Total assets	$ 1,869,630	$ 1,866,001	$ 1,868,273	$ 1,854,123
Working deficiency	(1,173,030)	(1,089,439)	(1,040,207)	(922,048)
Shareholders' equity	690,188	753,959	821,116	925,659
Net loss (income)	183,125	82,480	52,700	(6,072)
Loss (income) per share	0.04	0.02	0.01	(0.00)

	Three Months Ended November 30, 2016	Three Months Ended August 31, 2016	Three Months Ended May 31, 2016	Three Months Ended February 29, 2016
Total assets	$ 1,763,955	$ 1,712,846	$ 1,694,663	$ 1,668,523
Working deficiency	(725,455)	(868,101)	(1,263,194)	(1,228,824)
Shareholders' equity	1,028,300	839,792	426,338	433,144
Net loss (income)	95,958	(360,397)	57,933	96,556
Loss (income) per share	0.02	(0.09)	0.01	0.03

For the three months ended November 30, 2017, the Company incurred a net loss of $183,125 primarily due to legal and administrative costs related to the information circular, AGM and various agreements.

For the three months ended August 31, 2016, the Company incurred a net income of $360,397 primarily due to $283,811 of gain from forgiveness of debt and $155,432 from gain on settlement of accounts payable.

For the three months ended November 30, 2016, the Company incurred a loss of $95,958. Significant expenses include $35,974 of professional fees, $21,000 in management and director fees and $3,021 in office and administration and $3,102 of gain from share issuance of debt settlement.

FINANCIAL AND OTHER INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments are classified as follows:

Financial instruments	Classifications
Cash	FVTPL
Accounts payable and accrued liabilities	OFL
Due to related parties	OFL
Reclamation deposit	LAR

RISKS AND CAPITAL MANAGEMENT

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at November 30, 2017, the Company's receivables consisted of $2,087 in GST receivable from government authorities in Canada. Substantially all cash balances are held at chartered banks in Canada. The Company's maximum exposure to credit risk is the balance of cash on the statements of financial position.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined below. As November 30, 2017, the Company had a cash balance of $4,325 and receivables of $2,087 to settle current liabilities of $1,179,442. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term business requirements. The Company is planning additional financings in the near term to raise working capital to finance its ongoing operations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

As of November 30, 2017, the Company did not hold any investments and has no significant interest rate risk.

b) Foreign currency risk

The Company is exposed to changes in foreign exchange rates as expenses in international subsidiaries, oil and gas expenditures, or financial instruments may fluctuate due to changes in rates. The Company has not entered into any derivative instruments in an effort to mitigate exposure to fluctuations in foreign exchange rates.

At November 30, 2017, the Company had $Nil USD and 25,357 Mexican Pesos in cash, and $28,492 USD and 7,803,636 Mexican Pesos in accounts payable.

A 10% fluctuation in the USD/CAD exchange would result in an immaterial affect to these consolidated financial statements.

A 10% fluctuation in the MXP/CAD exchange would result in an immaterial affect to these consolidated financial statements.

c) Price risk

The recoverability of the Company's exploration and evaluation assets is indirectly related to the market price of commodities. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices. The Company is not currently directly exposed to fluctuations in commodity prices as the Company is currently in the exploration phase and has no production.

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended November 30, 2017.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

CURRENT SHARE DATA

As at January 15, 2018, the Company has 4,150,760 common shares issued and outstanding.

As at January 15, 2018, the following options to acquire common shares of the Company were outstanding:

Number of Options	Exercise Price	Expiry Date
130,000	$2.50	August 6, 2020

At January 15, 2018, the following share purchase warrants were outstanding.

Number of Warrants	Exercise Price	Expiry Date
20,800	$2.50	February 15, 2018
48,000	$2.50	August 30, 2018
48,000	$2.50	March 21, 2019
116,800		

LIST OF DIRECTORS AND OFFICERS AT JANUARY 15, 2018

David Lane, CEO, director
Glen Harder, director
David Cross, director
Warren Lowe, director
Tatiana Kovaleva, CFO

NEWLY ADOPTED ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICY PRONOUNCEMENTS

Newly adopted accounting policies

Please refer to the condensed consolidated interim financial statements for the period ended November 30, 2017.

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 annual audited consolidated financial statements and this accompanying annual MD&A (together the "Annual 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