UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 24, 2017 (August 21, 2017)

Victory Energy Corporation

(Exact name of registrant as specified in its charter)

Nevada	**002-76219-NY**	**87-0564462**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3355 Bee Caves Road, Suite 608
Austin, Texas 78746

(Address of principal executive offices)

(512) 347-7300

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging Growth Company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

[ ]

Item 1.01 Entry into a Material Definitive Agreement.

Transaction Agreement

On August 21, 2017, Victory Energy Corporation (the "Victory") entered into a transaction agreement (the "Transaction Agreement") with Armacor Victory Ventures, LLC, a Delaware limited liability company ("Armacor"), pursuant to which Armacor (i) granted to Victory a worldwide, perpetual, royalty free, fully paid up and exclusive sublicense (the "License") to all of Armacor's owned and licensed intellectual property for use in the Oilfield Services Business (as defined in the Transaction Agreement), and (ii) agreed to contribute to Victory $5,000,000 (the "Cash Contribution"), in exchange for which the Company issued 800,000 shares (the "Armacor Shares") of its newly designated Series B Convertible Preferred Stock, constituting approximately 90% of the Company's issued and outstanding Common Stock on a fully-diluted basis and after giving effect to the issuance of the Armacor Shares and other securities being issued as contemplated by the Transaction Agreement (other than shares issuable upon conversion of the VPEG Note (as defined below)). The closing of the Transaction Agreement (the "Closing") also occurred on August 21, 2017.

On or before September 1, 2017, Armacor will pay to VPEG (as defined below) and to certain of the Company's creditors a total of approximately $594,154 in liabilities, including $550,000 owed to VPEG under the VPEG Note and certain other liabilities owed to various other creditors and the Company obtained written agreements from all of its creditors regarding the orderly repayment of the remaining balance of such liabilities. In addition, Armacor and the Company agreed upon a schedule of liabilities and working capital needs that is set forth on Exhibit A to the Transaction Agreement (the "Schedule of Liabilities") that are expected to arise between the Closing and the date that Shareholder Approval (as defined below) is obtained. In exchange for Armacor paying off the VPEG Note, the amounts owed to the other creditors and funding the Schedule of Liabilities, the Company will issue to Armacor a secured delayed draw term note (the "Armacor Note") in the original principal amount of $594,154, with additional amounts being added to principal as additional advances are made to fund the Schedule of Liabilities or other expenses that Armacor agrees to fund (collectively, the "Armacor Loan"). The Armacor Note will be secured by a first priority security interest in all of the Company's assets. Upon obtaining Shareholder Approval, all of the Company's obligations under the Armacor Note will be forgiven and the outstanding principal amount of, and all accrued, but unpaid interest under, the Armacor Note will be credited toward Armacor's obligation to make the Cash Contribution.

Pursuant to the Transaction Agreement, the Company is required to hold a special meeting of its shareholders (the "Shareholders Meeting") as soon as possible in order to obtain the approval of, among other things, (i) amendments to the Company's articles of incorporation to effect a reverse split of the Company's Common Stock and an increase in the number of authorized shares of the Company's Common Stock such that there will be sufficient Common Stock authorized to allow for the conversion of the outstanding Series B Convertible Preferred Stock and other series of preferred stock outstanding (collectively, the "Charter Amendment") and (ii) the Divestiture (as defined below) (the "Shareholder Approval").

Within three (3) business days after Shareholder Approval is obtained, the Company must (i) cause the Charter Amendment to be filed and accepted for filing with the State of Nevada, (ii) cause the aforementioned reverse stock split to be effected, and (iii) deliver to Armacor a written certification, signed by an executive officer, certifying as to certain matters prescribed in the Transaction Agreement (collectively, the "Funding Conditions"). The Cash Contribution, less the outstanding balance on the Armacor Note, must be paid by Armacor within three (3) business days after satisfaction of the Funding Conditions.

If the Funding Conditions are not satisfied on or before the first anniversary of the Closing (or if any circumstances or event occurs that makes it reasonably unlikely that the Funding Conditions will be satisfied on or before the first anniversary of the Closing), other than by reason of a material breach of the Transaction Agreement by Armacor, then Armacor, at its option, has the right to unwind the transactions contemplated by the Transaction Agreement. If the transaction is unwound, the Company will cancel all the Armacor Shares, the License will be terminated, and all outstanding principal and accrued interest under the Armacor Note shall be repaid over a period of twelve (12) months following the unwinding in equal monthly installments upon the terms and conditions set forth in the Armacor Note.

If the Funding Conditions have been satisfied, but Armacor fails to make the Cash Contribution within thirty (30) days of the satisfaction of the Funding Conditions, the Company may, in its sole discretion, seek up to $5 million of equity capital from other sources, including, without limitation, from VPEG, its affiliates and designees under the option granted to VPEG pursuant to the VPEG Loan Agreement (as defined below).

If the Funding Conditions have been satisfied, but Armacor fails to make the Cash Contribution, then a number of the Armacor Shares (or, if converted, the Common Stock equivalent) shall be cancelled in accordance with the following formula:

Cancelled Armacor Shares = X% of 213,333

For purposes of the foregoing formula:

X= (A - B)/A
A= 5,000,000
B= the amount of the Cash Contribution funded by Armacor

Notwithstanding the foregoing, under no circumstances shall the number of Armacor Shares be reduced to less than 586,667 shares (or, if converted, the Common Stock equivalent) without Armacor's prior written consent. The cancellation of shares shall be the Company's sole remedy for the failure of Armacor to fund the Cash Contribution, including any failure by Armacor to make the Armacor Loan.

In connection with the Transaction Agreement, the Company entered into (i) an exclusive sublicense agreement (the "License Agreement") with Armacor, pursuant to which Armacor granted the License to the Company, and (ii) a trademark license agreement (the "Trademark License Agreement") with Liquidmetal Coatings Enterprises, LLC, an affiliate of Armacor ("LMCE"), pursuant to which LCME granted a license for the "Liquidmetal" and "Armacor" trademarks and service marks to the Company.

As a condition to the Closing, certain persons who became shareholders as a result of the transactions contemplated by the Transaction Agreement have entered into a lock-up and resale restriction agreement (the "Lock-Up Agreement"), pursuant to which these shareholders have agreed to certain restrictions on the transfer of their shares. In addition, Armacor, Armacor Holdings, LLC, and LM Group Holdings, LLC (affiliates of Armacor), each entered into a non-competition and non-solicitation agreement (the "Non-Competition Agreements") with the Company, pursuant to which they agreed not to compete with the Company or solicit the Company's employees, contractors or consultants until the License expires.

The terms of the Series B Convertible Preferred Stock are governed by a certificate of designation (the "Series B Certificate of Designation") filed by the Company with the Nevada Secretary of State on August 21, 2017. Pursuant to the Series B Certificate of Designation, the Company designated 800,000 shares of its preferred stock as Series B Convertible Preferred Stock. Following is a summary of the material terms of the Series B Convertible Preferred Stock:

- Dividends. Holders are entitled to receive dividends on shares of Series B Convertible Preferred Stock equal (on an as-if-converted-to-Common-Stock basis regardless of whether the Series B Convertible Preferred Stock is then convertible) to and in the same form as dividends actually paid on shares of the Common Stock when and if such dividends are paid on shares of the Common Stock.
- Liquidation. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Series B Convertible Preferred Stock are entitled to receive out of the assets of the Company the same amount that a holder of Common Stock would receive if the Series B Convertible Preferred Stock were fully converted to Common Stock immediately prior to such liquidation, which amount shall be paid pari passu with all holders of Common Stock.
- Voting Rights. Except as otherwise required by law, holders of Series B Convertible Preferred Stock have no voting rights. However, as long as any shares of Series B Convertible Preferred Stock are outstanding, the Company may not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Convertible Preferred Stock, (a) alter or change adversely the powers, preferences or rights given

to the Series B Convertible Preferred Stock or alter or amend the Series B Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to the Series B Convertible Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders, (d) increase the number of authorized shares of Series B Convertible Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

- Conversion. On the later to occur of (i) the date on which all Funding Conditions have been satisfied, and (ii) the date that Armacor pays the Company the entire Cash Contribution in accordance with the Transaction Agreement, each share of Series B Convertible Preferred Stock plus accrued, but unpaid, dividends thereon shall be automatically converted (without the payment of additional consideration by the holder thereof), into such number of fully paid and non-assessable shares of the Company's Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on such conversion date. The "Stated Value" shall initially be $122.6628243 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Convertible Preferred Stock. The "Conversion Price" shall initially be equal to $0.04, subject to adjustment as set forth in the Series B Certificate of Designation. The Armacor Shares are therefore convertible into 2,453,256,486 shares of Common Stock.

The foregoing summary of the terms and conditions of the Transaction Agreement, License Agreement, Trademark License Agreement, Lock-Up Agreement, Non-Competition Agreements, and the Series B Certificate of Designation does not purport to be complete and is qualified in its entirety by reference to the full text of those documents filed as exhibits to this report.

Loan Agreement

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a loan agreement (the "VPEG Loan Agreement") with Visionary Private Equity Group I, LP, a Missouri limited partnership ("VPEG"), pursuant to which VPEG loaned $500,000 to the Company until the Armacor Note is issued pursuant to the Transaction Agreement. Such loan is evidenced by a secured convertible original issue discount promissory note (the "VPEG Note") issued by the Company to VPEG on August 21, 2017. The VPEG Note reflects an original issue discount of $50,000 such that the principal amount of the VPEG Note is $550,000, notwithstanding the fact that the loan is in the amount of $500,000. The VPEG Note does not bear any interest in addition to the original issue discount, matures on September 1, 2017 (the "Maturity Date"), and is secured by a security interest in all of the Company's assets.

VPEG has the right, exercisable at any time from and after the Maturity Date and prior to payment in full, to convert all or any portion of the principal amount then outstanding, plus all accrued but unpaid interest at the Default Interest Rate (as defined below), into shares of the Company's Common Stock at a conversion price equal to $0.04 per share, subject to adjustment.

The VPEG Note contains standard events of default, including: (i) if the Company shall default in the payment of the principal amount as and when the same shall become due and payable, whether by acceleration or otherwise; or (ii) if the Company shall default in any material manner in the observance or performance of any covenants or agreements set forth in the VPEG Note or the VPEG Loan Agreement; or (iii) if the Company shall: (a) admit in writing its inability to pay its debts as they become due; (b) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any of its property, or make a general assignment for the benefit of creditors; (c) in the absence of such application, consent or acquiesce in, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for any part of its property; or (d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding (each, an "Event of Default"). Upon the occurrence of an Event of Default, interest upon the unpaid principal amount shall begin to accrue at a rate equal to the lesser of (i) eight percent (8%) per annum or (ii) the maximum interest rate allowed from time to time under applicable law (the "Default Interest Rate"), and shall continue at the Default Interest Rate until the Event of Default is cured or full payment is made of the unpaid principal amount.

Under the VPEG Loan Agreement, if Armacor fails to satisfy its obligation to make all or any portion of the Cash Contribution under the Transaction Agreement, including Armacor's obligation to make the Armacor Loan, then VPEG or its affiliates or designees has the option, in its sole discretion, to fund the shortfall, including the failure to make the Armacor Loan, up to the full amount of the Cash Contribution. In consideration for making such investment VPEG or its affiliates or designees shall receive (i) a number of shares of the Company's Common Stock that is equal to the quotient of the total investment amount divided by $0.04 (subject to equitable adjustments for stock splits, stock combinations and similar events) and (ii) a five year warrant to purchase one share of Common Stock at an exercise price of $0.04 (subject to equitable adjustments for stock splits, stock combinations and similar events) for each share of Common Stock issued to VPEG or its affiliates or designees. If there is not sufficient Common Stock available for issuance, then the Company shall issue shares of its Series C Preferred Stock or another series of the Company's preferred stock having terms similar to the Series C Preferred Stock and having an equivalent value to the shares of Common Stock that would otherwise be issued and the warrant shall provide that it is not exercisable until such time as there is sufficient Common Stock authorized to permit the issuance of the shares of Common Stock underlying such warrant. Notwithstanding the foregoing, VPEG shall only be permitted to exercise this option if no third party that is ready, willing and able to fund the Company has made a written proposal to fund the Company on terms that are more favorable to the Company than the terms described above; provided; however, that if any such third party makes a more favorable proposal, then VPEG shall have the right, but not the obligation, to invest in the Company on such more favorable terms up to the entire amount of such third party financing. For the avoidance of doubt, if such third party financing is in an amount less than the entire amount of the Cash Contribution minus amounts funded by Armacor, then VPEG will continue to have the option to invest in the Company on the option terms in an amount up to the entire amount of the Cash Contribution minus the amount funded by Armacor and the amount of the proposed third party financing.

The foregoing summary of the terms and conditions of the VPEG Loan Agreement and VPEG Note does not purport to be complete and is qualified in its entirety by reference to the full text of those documents filed as exhibits to this report.

Divestiture Agreement

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a divestiture agreement (the "Divestiture Agreement") with Navitus Energy Group ("Navitus"), pursuant to which the Company has agreed to divest and transfer its 50% ownership interest in Aurora Energy Partners ("Aurora") to Navitus (the "Divestiture"), which currently owns the remaining 50% interest, in consideration for a release from Navitus of all of the Company's obligations under the second amended partnership agreement, dated October 1, 2011, between Victory and Navitus (the "Partnership Agreement"), including, without limitation, obligations to return to Navitus investors their accumulated deferred capital, deferred interest and related allocations of equity. The Company has also agreed to pay off or otherwise satisfy all indebtedness and other material liabilities of Aurora at or prior to closing of the Divestiture Agreement.

Closing of the Divestiture Agreement is subject to Shareholder Approval at the Shareholders Meeting and other customary closing conditions, including, without limitation, the receipt of all authorizations, consents and approvals of all governmental authorities or agencies; the receipt of any required consents of any third parties; execution of an amendment and restatement of the Partnership Agreement; and execution of a mutual release by the parties. Closing is expected to occur shortly after approval at the Shareholders Meeting.

The Divestiture Agreement may be terminated (i) by mutual written consent, (ii) by either party if any governmental entity has issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by Divestiture Agreement, (iii) by either party if the other party has breached is representations and warrants or any covenant or other agreement to be performed by it in a manner such that the closing conditions would not be satisfied; (iv) by Navitus if (a) its conditions set forth in the Divestiture Agreement have been satisfied and the Company fails to consummate the Divestiture on the date the closing should have occurred pursuant to the Divestiture Agreement and (b) Navitus has irrevocably confirmed in writing that all the Company's conditions set forth in the Divestiture Agreement have been satisfied or that it is willing to waive all unsatisfied conditions and it stands ready, willing and able to consummate the closing on such date; or (v) by the Company if (a) its conditions

set forth in the Divestiture Agreement have been satisfied and Navitus fails to consummate the Divestiture on the date the closing should have occurred pursuant to the Divestiture Agreement and (b) the Company has irrevocably confirmed in writing that all Navitus' conditions set forth in the Divestiture Agreement have been satisfied or that it is willing to waive all unsatisfied conditions and it stands ready, willing and able to consummate the closing on such date.

The foregoing summary of the terms and conditions of the Divestiture Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of that agreement filed as an exhibit to this report.

Settlement Agreements

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a settlement agreement and mutual release (the "VPEG Settlement Agreement") with VPEG, pursuant to which all obligations of the Company to VPEG to repay indebtedness for borrowed money (other than the VPEG Note), which totaled approximately $873,409.64, including all accrued, but unpaid, interest thereon, was converted into 110,000.472149068 shares (the "VPEG Shares") of the Company's newly designated Series C Preferred Stock. Some of the obligations of the Company to VPEG arose pursuant to a securities purchase agreement, dated February 1, 2017, between the Company and VPEG, pursuant to which VPEG purchased a unit comprised of (i) a twelve percent (12%) unsecured six-month promissory note in the principal amount of $320,000 and (ii) a common stock purchase warrant to purchase 5,203,252 shares of the Company's Common Stock at an exercise price of $0.0923 per share. Pursuant to the VPEG Settlement Agreement, the twelve percent (12%) unsecured six-month promissory note was repaid in full and terminated, but VPEG retained the common stock purchase warrant.

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a settlement agreement and mutual release (the "McCall Settlement Agreement") with McCall Law Firm ("McCall"), pursuant to which all obligations of the Company to McCall to repay indebtedness for borrowed money, which totaled approximately $380,323, including all accrued, but unpaid, interest thereon, was converted into 20,000 shares (the "McCall Shares") of the Company's newly designated Series D Preferred Stock.

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a settlement agreement and mutual release (the "Navitus Settlement Agreement") with Ron Zamber and Greg Johnson, affiliates of Navitus, pursuant to which all obligations of the Company to Ron Zamber and Greg Johnson to repay indebtedness for borrowed money, which totaled approximately $520,800, including all accrued, but unpaid, interest thereon, was converted into 65,591.4971298402 shares of the Company's newly designated Series C Preferred Stock, 46,699.9368965913 shares of which were issued to Ron Zamber and 18,891.5602332489 shares of which were issued to Greg Johnson (together, "Navitus Shares").

On August 21, 2017, in connection with the Transaction Agreement, the Company entered into a settlement agreement and mutual release (the "Insider Settlement Agreement," and together with the VPEG Settlement Agreement, the McCall Settlement Agreement and the Navitus Settlement Agreement, the "Settlement Agreements") with Ron Zamber and Kim Rubin Hill, pursuant to which all obligations of the Company to Ron Zamber and Kim Rubin Hill to repay indebtedness for borrowed money, which totaled approximately $35,000, including all accrued, but unpaid, interest thereon, was converted into 4,408.03072109141 shares of the Company's newly designated Series C Preferred Stock, 1,889.1560233248900 shares of which were issued to Ron Zamber and 2,518.8746977665200 shares of which were issued to Kim Rubin Hill (together, the "Insider Shares").

The terms of the Series C Preferred Stock are governed by a certificate of designation (the "Series C Certificate of Designation") filed by the Company with the Nevada Secretary of State on August 21, 2017. Pursuant to the Series C Certificate of Designation, the Company designated 810,000 shares of its preferred stock as Series C Preferred Stock. Following is a summary of the material terms of the Series C Preferred Stock:

- Dividends. Holders are entitled to receive dividends on shares of Series C Preferred Stock equal (on an as-if-converted-to-Common-Stock basis regardless of whether the Series C Preferred Stock is then convertible) to and in the same form as dividends actually paid on shares of the Common Stock when and if such dividends are paid on shares of the Common Stock.

- Liquidation. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of shares of Series C Preferred Stock are entitled to be paid out of the assets of the Company available for distribution to its shareholders, before any payment shall be made to the holders of shares of Common Stock, the higher of (a) an amount equal to the Stated Value per share, plus any dividends declared but unpaid thereon, which amount shall be paid pari passu with all holders of the Company's Series D Preferred Stock, or (b) the same amount that a holder of Common Stock would receive if the Series C Preferred Stock were fully converted to Common Stock immediately prior to such liquidation, which amount shall be paid pari passu with all holders of Common Stock. The "Stated Value" shall initially be $7.94005355555556 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.
- Voting Rights. Holders of shares of Series C Preferred Stock vote together with the holders of Common Stock on an as-if-converted-to-Common-Stock basis. Except as provided by law, the holders of shares of Series C Preferred Stock vote together with the holders of shares of Common Stock as a single class. However, as long as any shares of Series C Preferred Stock are outstanding, the Company may not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series C Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend the Series C Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to the Series C Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders, (d) increase the number of authorized shares of Series C Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.
- Conversion. On the date on which all Funding Conditions have been satisfied, each share of Series C Preferred Stock plus accrued, but unpaid, dividends thereon shall be automatically converted (without the payment of additional consideration by the holder thereof), into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on such conversion date. The "Conversion Price" shall initially be equal to $0.04, subject to adjustment as set forth in the Series C Certificate of Designation. The VPEG Shares, Navitus Shares and Insider Shares are therefore convertible into an aggregate of 35,730,241 shares of Common Stock.

The terms of the Series D Preferred Stock are governed by a certificate of designation (the "Series D Certificate of Designation") filed by the Company with the Nevada Secretary of State on August 21, 2017. Pursuant to the Series D Certificate of Designation, the Company designated 20,000 shares of its preferred stock as Series D Preferred Stock. Following is a summary of the material terms of the Series D Preferred Stock:

- Dividends. Except for stock dividends and distributions for which adjustments are to be made pursuant to the Series D Certificate of Designation, holders of Series D Preferred Stock are not entitled to dividends.
- Liquidation. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of shares of Series D Preferred Stock are entitled to be paid out of the assets of the Company available for distribution to its shareholders, before any payment shall be made to the holders of shares of Common Stock, an amount equal to the Stated Value per share, plus any dividends declared but unpaid thereon, which amount shall be paid pari passu with all holders of the Company's Series C Preferred Stock. The "Stated Value" shall initially be $19.01615 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series D Preferred Stock.
- Voting Rights. Holders of shares of Series D Preferred Stock vote together with the holders of Common Stock on an as-if-converted-to-Common-Stock basis. Except as provided by law, the holders of shares of Series D Preferred Stock vote together with the holders of shares of Common Stock as a single class. However, as long as any shares of Series D Preferred Stock are outstanding, the Company may not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series D Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series D Preferred Stock or alter or amend the Series D Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to the Series D Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders, (d)

increase the number of authorized shares of Series D Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

- Redemption. To the extent of funds legally available for the payment therefor, the Company is required to redeem the outstanding shares of Series D Preferred Stock, at a redemption price equal to the Stated Value per share (subject to adjustment) (the "Redemption Price"), payable in cash in equal monthly installments commencing on the fifteenth (15th) calendar day following the date that the Company obtains the Shareholder Approval (each such date, a "Redemption Date"). If funds legally available for redemption on the Redemption Date are insufficient to redeem the total number of outstanding shares of Series D Preferred Stock, the holders of shares of Series D Preferred Stock shall share ratably in any funds legally available for redemption of such shares according to the respective amounts which would be payable with respect to the full number of shares owned by them if all such outstanding shares were redeemed in full. At any time thereafter when additional funds are legally available for the redemption, such funds will be used, at the end of the next succeeding fiscal quarter, to redeem the balance of such shares, or such portion thereof for which funds are then legally available.
- Conversion. If, following the date when Shareholder Approval has been obtained, any portion of the Redemption Price has not been paid by the Company on any Redemption Date, the holder may, at its option, elect to convert each share of Series D Preferred Stock plus accrued, but unpaid dividends thereon, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on such conversion date; provided, however, that in lieu of such conversion and before giving effect thereto, the Company may elect to bring current the redemption payments payable. The "Conversion Price" shall initially be equal to $0.04, subject to adjustment as set forth in the Series D Certificate of Designation. The McCall Shares are therefore convertible into 9,508,075 shares of Common Stock.

The foregoing summary of the terms and conditions of the Settlement Agreements, the Series C Certificate of Designation and the Series D Certificate of Designation does not purport to be complete and is qualified in its entirety by reference to the full text of those documents filed as exhibits to this report.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation of an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 regarding the issuance of the VPEG Note is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 regarding the issuance of shares of Series B Convertible Preferred Stock, Series C Preferred Stock and Series D Preferred Stock under the Transaction Agreement and the Settlement Agreements, as well as the issuance of the VPEG Note, is incorporated by reference into this Item 3.02. The issuance of these securities is being made in reliance upon an exemption from registration provided under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Resignation and Appointment of Directors

In connection with the closing of the Transaction Agreement, on August 21, 2017, Messrs. David McCall and Patrick Barry resigned from the Board of Directors of the Company. Their resignation was not in connection with any known disagreement with the Company on any matter. On the same date, the Board of Directors increased the size of the Board to six (6) members and appointed Messrs. Ricardo A. Salas, Kevin DeLeon and Julio C. Herrera to the Board.

Ricardo A. Salas, age 53, is the President of Armacor Holdings, LLC, an investment holding company for Liquidmetal Coatings, LLC, which develops, supplies and provides application service of leading metallic coatings which protect against wear and corrosion in oil & gas, power, pulp & paper and other industrial environments. He has served as a Director of Liquidmetal Coatings, LLC since June 2007. Between 2008 and 2015, Mr. Salas served as Executive Vice

President and a Director of Liquidmetal Technologies, Inc., a pioneer in developing and commercializing a family of amorphous metal alloys. In 2001, he founded and became CEO of iLIANT Corporation, a health care information technology and outsourcing service provider. Following iLIANT's merger with MED3000 Group, Inc., he continued to serve as a Director of MED3000 Group, Inc. and on its Special Committee leading up to its sale to McKesson Corporation in December of 2012. He serves as a Director of Advantum Health, a private equity backed healthcare IT enabled services company. Mr. Salas received an Economics degree from Harvard College in 1986. Mr. Salas was selected to serve on the Company's Board of Directors due to his extensive management experience.

Kevin DeLeon, age 50, is a General Partner and Director of Corporate Strategy for Visionary Private Equity Group, a private equity firm that invests in early stage, high growth companies. Mr. DeLeon has spent more than twenty-five years in global finance, both on the buy and sell side, in New York, London, and Tokyo. For the past decade, his focus has been in natural resources, most recently as Senior Advisor to the Company since February, 2015. Prior to joining the Company, he served in the same capacity at Miller Energy, a NYSE-listed Alaska focused oil and gas exploration and production company, from June 2013 to February 2015. At Miller, Mr. DeLeon was responsible for overseeing corporate strategy, with particular focus on financing the company's drilling program and acquisitions, as well as investor relations and corporate governance. Prior to Miller, Mr. DeLeon spent approximately six years spearheading the U.S. operations for a boutique U.K. investment bank, with a strong focus in E&P and metals & mining. Early in his career, he worked for Yamaichi, one of the Big Four Japanese securities houses, where he received the Chairman's award for his consistent revenue contributions. Mr. DeLeon was also a founding partner of Bracken Partners, a London-based corporate finance advisory and fund management firm with particular focus on the U.K. private equity markets. He has served as both a senior executive and non-executive director of numerous public and private U.K. and U.S. companies. Mr. DeLeon is a 1990 graduate of Yale University, with a B.A in Economics. Mr. DeLeon was selected to serve on the Company's Board of Directors due to his extensive global finance experience.

Julio C. Herrera, age 50, has been Chief Financial Officer of Lewis Energy Group, L.P. since June 2016. Mr. Herrera started his Oil and Gas career in 1988 with ExxonMobil in Colombia, and then joined British Petroleum in 1992. His 29 years in the energy industry include positions with responsibilities over Alaska, Texas, Wyoming, Angola, Azerbaijan, Scotland, Egypt, Colombia, Mexico, Brazil and the rest of Latin America. At BP, Mr. Herrera held various executive finance and Chief Financial Officer positions across local, national and international divisions. He has served on the Board of HydroPacific Pumps, a Canadian oil and gas service company, as well as a Senior Infrastructure Director for the BlackRock-Pemex JV. Mr. Herrera has a Masters' Degree in Certified Public Accounting from the Pontificia Universidad Javeriana in Bogotá, Colombia and has completed post-graduate studies in Marketing at the Kellogg School of Management and CFO Excellence at the Wharton School of Business. Mr. Herrera was selected to serve on the Company's Board of Directors due to his extensive finance experience in the energy industry.

There are no arrangements or understandings between the newly appointed directors and any other persons pursuant to which they were selected as directors. The newly appointed directors were appointed until their successors are duly elected and qualified. There has been no transaction, nor is there any currently proposed transaction, between any newly appointed director and the Company that would require disclosure under Item 404(a) of Regulation S-K.

Amended and Restated Employment Agreement

In connection with the Transaction Agreement, on August 21, 2017, the Company entered into an amended and restated employment agreement (the "Employment Agreement") with Mr. Kenneth E. Hill, the Company's Chief Executive Officer, which amends and replaces the prior agreement entered into on January 7, 2012.

Under the Employment Agreement, the Company agreed to pay Mr. Hill a salary of $250,000 per year, and he will be eligible for annual bonuses at the discretion of the Company's Board of Directors. In addition, the Company agreed to grant Mr. Hill an option to purchase 7,500,000 shares of the Company's Common Stock, which option will have an exercise price of $0.04 per share and will vest in 36 equal monthly installments. Mr. Hill will also be eligible to participate in the standard benefits plans offered to similarly situated employees by the Company from time to time, subject to plan terms and our generally applicable policies.

The term of the Employment Agreement is for three (3) years and automatically renews for additional one-year periods unless terminated. Either party may terminate the Employment Agreement at any time upon at least 30 days written notice (other than a termination by the Company for Cause).

If Mr. Hill's employment is terminated by the Company (other than as a result of death, disability or Cause (as defined in the Employment Agreement)) or is terminated by Mr. Hill for Good Reason (as defined in the Employment Agreement), Mr. Hill is entitled to the following: (i) a lump sum payment in an amount equal to product of (a) the base salary and bonus paid during the immediately preceding twelve month period ending on the date of termination of employment, multiplied by (b) fifty percent (50%) (notwithstanding the foregoing, if termination is within 6 months before or 24 months following the occurrence of a Change of Control (as defined in the Employment Agreement), such lump sum payment shall be equal to product of (a) the base salary and the maximum bonus under the Employment Agreement, multiplied by (b) one hundred percent (100%), and all stock options shall immediately vest); (ii) all base salary earned, accrued or owing through the date his employment is terminated but not yet paid; and (iii) continued participation in all employee benefit plans, programs or arrangements available to the Company executives in which Mr. Hill was participating on the date of termination until the earliest of (but only to the extent the terms of such benefit plans, programs or arrangements permit such continued participation): (a) the second anniversary of the date of termination of employment, provided that if termination of employment is within 6 months before or 24 months following the occurrence of a Change of Control, then he shall be entitled to continue to participate in such employee benefit plans, programs or arrangements until the third anniversary of the date of termination of employment; (b) the date the Employment Agreement would have expired (with timely written notice) but for the occurrence of the date of termination; or (c) the date, or dates, Mr. Hill receives coverage and benefits under the plans, programs and arrangements of a subsequent employer (such coverages and benefits to be determined on a coverage-by- coverage, or benefit-by-benefit, basis).

The foregoing summary of the terms and conditions of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of that agreement filed as an exhibit to this report.

Item 8.01 Other Events.

On August 22, 2017, the Company issued a press release regarding the Transaction Agreement, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description of Exhibit
3.1	Certificate of Designation of Series B Convertible Preferred Stock filed with Nevada Secretary of State on August 21, 2017
3.2	Certificate of Designation of Series C Preferred Stock filed with Nevada Secretary of State on August 21, 2017
3.3	Certificate of Designation of Series D Preferred Stock filed with Nevada Secretary of State on August 21, 2017
10.1	Transaction Agreement, dated August 21, 2017, between Victory Energy Corporation and Armacor Victory Ventures, LLC
10.2	Exclusive Sublicense Agreement, dated August 21, 2017, between Armacor Victory Ventures, LLC and Victory Energy Corporation
10.3	Trademark License Agreement, dated August 21, 2017, between Liquidmetal Coatings Enterprises, LLC and Victory Energy Corporation
10.4	Lock-Up and Resale Restriction Agreement, dated August 21, 2017, by and among Victory Energy Corporation and certain holders signatory thereto
10.5	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between Armacor Victory Ventures, LLC and Victory Energy Corporation
10.6	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between Armacor Holdings, LLC and Victory Energy Corporation
10.7	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between LM Group Holdings, LLC and Victory Energy Corporation
10.8	Loan Agreement, dated August 21, 2017, between Visionary Private Equity Group I, LP and Victory Energy Corporation
10.9	Secured Convertible Original Issue Discount Promissory Note issued by Victory Energy Corporation to Visionary Private Equity Group I, LP on August 21, 2017
10.10	Divestiture Agreement, dated August 21, 2017, between Victory Energy Corporation and Navitus Energy Group
10.11	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Visionary Private Equity Group I, LP
10.12	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and McCall Law Firm
10.13	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Ron Zamber and Greg Johnson
10.14	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Ron Zamber and Kim Rubin Hill
10.15	Amended and Restated Employment Agreement, dated August 21, 2017, between Victory Energy Corporation and Kenneth E. Hill
99.1	Press Release issued August 22, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VICTORY ENERGY CORPORATION

Date: August 24, 2017

/s/ Kenneth Hill

Name: Kenneth Hill

Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1	Certificate of Designation of Series B Convertible Preferred Stock filed with Nevada Secretary of State on August 21, 2017
3.2	Certificate of Designation of Series C Preferred Stock filed with Nevada Secretary of State on August 21, 2017
3.3	Certificate of Designation of Series D Preferred Stock filed with Nevada Secretary of State on August 21, 2017
10.1	Transaction Agreement, dated August 21, 2017, between Victory Energy Corporation and Armacor Victory Ventures, LLC
10.2	Exclusive Sublicense Agreement, dated August 21, 2017, between Armacor Victory Ventures, LLC and Victory Energy Corporation
10.3	Trademark License Agreement, dated August 21, 2017, between Liquidmetal Coatings Enterprises, LLC and Victory Energy Corporation
10.4	Lock-Up and Resale Restriction Agreement, dated August 21, 2017, by and among Victory Energy Corporation and certain holders signatory thereto
10.5	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between Armacor Victory Ventures, LLC and Victory Energy Corporation
10.6	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between Armacor Holdings, LLC and Victory Energy Corporation
10.7	Non-Competition and Non-Solicitation Agreement, dated August 21, 2017, between LM Group Holdings, LLC and Victory Energy Corporation
10.8	Loan Agreement, dated August 21, 2017, between Visionary Private Equity Group I, LP and Victory Energy Corporation
10.9	Secured Convertible Original Issue Discount Promissory Note issued by Victory Energy Corporation to Visionary Private Equity Group I, LP on August 21, 2017
10.10	Divestiture Agreement, dated August 21, 2017, between Victory Energy Corporation and Navitus Energy Group
10.11	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Visionary Private Equity Group I, LP
10.12	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and McCall Law Firm
10.13	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Ron Zamber and Greg Johnson
10.14	Settlement Agreement and Mutual Release, dated August 21, 2017, between Victory Energy Corporation and Ron Zamber and Kim Rubin Hill
10.15	Amended and Restated Employment Agreement, dated August 21, 2017, between Victory Energy Corporation and Kenneth E. Hill
99.1	Press Release issued August 22, 2017

150103

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the office of	Document Number
Barbara K. Cegavske	20170355666-21
Barbara K. Cegavske Secretary of State State of Nevada	Filing Date and Time 08/21/2017 11:40 AM
	Entity Number C71-1982

Certificate of Designation
(PURSUANT TO NRS 78.1955)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Designation For Nevada Profit Corporations (Pursuant to NRS 78.1955)

1. Name of corporation:

Victory Energy Corporation

2. By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.

A series of Eight Hundred Thousand (800,000) shares of Preferred Stock, $0.001 par value per share, designated as Series B Convertible Preferred Stock. The relative preferences, rights and limitations of shares of Series B Convertible Preferred Stock are set forth on Exhibit A to this Certificate of Designation.

3. Effective date of filing: (optional)

(must not be later than 90 days after the certificate is filed)

4. Signature: (required)

X Kenneth Bill

Signature of Officer

Filing Fee: $175.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

EXHIBIT A

VICTORY ENERGY CORPORATION CERTIFICATE OF

DESIGNATION OF PREFERENCES,

RIGHTS AND LIMITATIONS
OF
SERIES B CONVERTIBLE PREFERRED STOCK

PURSUANT TO SECTION 78.1955 OF THE NEVADA REVISED STATUTES

Victory Energy Corporation, a Nevada corporation (the "Corporation"), does hereby certify that, pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the provisions of Section 78.1955 of the Nevada Revised Statutes, the board of directors of the Corporation (the "Board of Directors") has adopted the following resolution creating the following series of the Corporation's Series B Convertible Preferred Stock and determined the voting powers, designations, powers, preferences and relative, participating, optional, or other special rights, and the qualifications, limitations, and restrictions thereof, of such series:

RESOLVED, that the Board of Directors does hereby provide for the issuance of the following series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 8(d).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Common Stock" means the Corporation's common stock, par value $0.001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Corporation which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Price" shall have the meaning set forth in Section 6(a).

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the shares of Preferred Stock in accordance with the terms hereof.

"Distribution" shall have the meaning set forth in Section 8(c).

"Fundamental Transaction" shall have the meaning set forth in Section 8(d).

"Holder" shall have the meaning set forth in Section 2.

"Liquidation" shall have the meaning set forth in Section 5.

"Person" means a n individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (o r an agency or subdivision thereof) or other entity of any kind.

"Preferred Stock" shall have the meaning set forth in Section 2 . "Purchase Rights" shall have the meaning set forth in Section 8(b). "Stated Value" shall have the meaning set forth in Section 2.

"Transaction Agreement" means the Transaction Agreement, dated on or about the date hereof, between the Corporation and Armacor Victory Ventures, LLC, as amended, modified or supplemented from time to time in accordance with its terms.

"Transfer Agent" means Transfer Online, Inc., the current transfer agent of the Corporation with a mailing address of 512 SE Salmon Street, Portland, Oregon 97214, and any successor transfer agent of the Corporation.

Section 2. Designation, Amount and Par Value. The series of preferred stock shall be designated as Series B Convertible Preferred Stock (the "Preferred Stock") and the number of shares so designated shall be 800,000, which shall not be subject to increase without the written consent of the holders of the Preferred Stock (each, a "Holder" and collectively, the "Holders") in accordance with Section 4 below. Each share of Preferred Stock shall have a par value of
$0.001 per share and a stated value of $122.6628243 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock (the "Stated Value").

Section 3. Dividends. Except for stock dividends or distributions for which adjustments are to be made pursuant to Section 8, Holders shall be entitled to receive, and the Corporation shall pay, dividends on shares of Preferred Stock equal (on an as-if-converted-to Common-Stock basis regardless of whether the Preferred Stock is then convertible or otherwise subject to conversion limitations) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Preferred Stock.

Section 4. Voting Rights. Except as otherwise provided herein or as otherwise required by law, the Preferred Stock shall have no voting rights. However, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a Liquidation senior to the Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (d) increase the number of authorized shares of Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders shall be entitled to receive out of the assets, whether capital or surplus, of the Corporation the same amount that a holder of Common Stock would receive if the Preferred Stock were fully converted (disregarding for such purposes any conversion limitations hereunder) to Common Stock immediately prior to such Liquidation, which amount shall be paid pari passu with all holders of Common Stock. The Corporation shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

Section 6. Automatic Conversion.

(a) Trigger Event. On the later to occur of (i) the date on which all Funding Conditions (as defined in the Transaction Agreement) have been satisfied, and (ii) the date that Armacor Victory Ventures, LLC pays the Corporation the entire Cash Contribution (as defined in the Transaction Agreement) in accordance with the Transaction Agreement (the "Conversion Date"), each share of Preferred Stock plus accrued, but unpaid, dividends thereon shall be automatically converted (without the payment of additional consideration by the Holder thereof), into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Conversion Date. The "Conversion Price" shall initially be equal to $0.04. Such initial Conversion Price, and the rate at which shares of Preferred Stock plus accrued, but unpaid dividends thereon, may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Mechanics of Conversion. All Holders of record shall be sent written notice of the Conversion Date and the place designated for conversion of all such shares of Preferred Stock pursuant to this Section 6. Such notice need not be sent in advance of the occurrence of the Conversion Date. Upon receipt of such notice, each Holder shall surrender his, her or its certificate or certificates for all such shares (or, if such Holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation and the Transfer Agent to indemnify the Corporation and/or the Transfer Agent against any claim that may be made against the Corporation and/or the Transfer Agent on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation or the Transfer Agent, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation or the Transfer Agent, duly executed by the registered Holder or by his, her or its attorney duly authorized in writing. All

rights with respect to the Preferred Stock converted pursuant to Section 6(a), including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Conversion Date (notwithstanding the failure of the Holder or Holders to surrender the certificates at or prior to such time), except only for the rights of the Holders, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Section 6(b). As soon as practicable after the Conversion Date and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall issue and deliver to such Holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 6(d) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion (if applicable) and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of its preferred stock accordingly.

(c) Inability to Reserve Shares Issuable Upon Conversion. The Holder acknowledges that the Corporation does not have sufficient Common Stock authorized under its articles of incorporation to issue to the Holder the Conversion Shares issuable to the Holder upon conversion of the Preferred Stock. The Corporation covenants that it will use commercially reasonable efforts to obtain Shareholder Approval (as defined in the Transaction Agreement), as soon as practicable, such that the Corporation will be able to reserve sufficient shares of Common Stock for the purpose of issuance upon conversion of the Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(d) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Stock. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(e) Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involving the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holders of such shares of Preferred Stock and the Corporation shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

Section 7. Redemption. The Preferred Stock 1s not redeemable other than as otherwise expressly authorized herein.

Section 8. Adjustments.

(a) Stock Dividends and Stock Splits. If the Corporation, at any time while the Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of the Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fractionof which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 8(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 8(a) above, if at any time the Corporation grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property, in each case pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of such Holder's Preferred Stock (without regard to any limitations on exercise hereof) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(c) Pro Rata Distributions. During such time as the Preferred Stock is outstanding, if the Corporation declares or makes any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of the Preferred Stock, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete Conversion of the Preferred Stock (without regard to any limitations on Conversion hereof) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined forthe participation in such Distribution.

(d) Fundamental Transaction. If, at any time while the Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a " Fundamental Transaction"), then, upon any subsequent conversion of the Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the conversion of the Preferred Stock), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which the Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to any limitation on the conversion of the PreferredStock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holdershall be given the same choice as to the Alternate Consideration it receives upon any conversion of the Preferred Stock following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Corporation or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor to assume in writing all of the obligations of the Corporation under this Certificate of Designation and the Transaction Agreement in accordance with the provisions of this Section 8(d).

(e) Calculations. All calculations under this Section 8 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 8,

the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

(f) Notice to the Holders.

(i) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 8, the Corporation shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any re.classification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of the Preferred Stock, and shall cause to be delivered to each Holder at its last address as it shall appear upon the stock books of the Corporation, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of its subsidiaries, the Corporation shall simultaneously file such notice with the United States Securities and Exchange Commission pursuant to a Current Report on Form 8-
K. The Holder shall remain entitled to convert the Preferred Stock (or any part hereof) during the
20- day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 9. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder shall be in writing and delivered personally, by facsimile, or

sent by a nationally recognized overnight courier service, addressed to the Corporation at 3355 Bee Caves Road, Suite 608, Austin, TX 78746, Attention Kenny Hill, facsimile number (866) 234-9806, e-mail address Kenny@vyey.com, or such other facsimile number, e-mail address, or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address, or address of such Holder appearing on the books of the Corporation, or if no such facsimile number, e-mail address, or address appears on the books of

the Corporation, at the principal place of business of such Holder, as *set* forth in the Transaction Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or e-mail prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail on a day that is not a Business Day or later than 5:30 p.m. *(New* York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay liquidated damages, accrued dividends and accrued interest, as applicable, on the shares of Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Preferred Stock Certificate. If a Holder's Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a *new* certificate for the shares of Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation or the Transfer Agent.

(d) Waiver. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

(e) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the

applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(f) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(g) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

(h) Status of Converted or Redeemed Preferred Stock. Shares of Preferred Stock may only be issued pursuant to the Transaction Agreement. If any shares of Preferred Stock shall be converted, redeemed or reacquired by the Corporation, such shares shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series B Convertible Preferred Stock.

****

150103

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the office of	Document Number
Barbara K. Cegavske	20170355668-43
Barbara K. Cegavske Secretary of State State of Nevada	Filing Date and Time 08/21/2017 11:41 AM
	Entity Number C71-1982

Certificate of Designation
(PURSUANT TO NRS 78.1955)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Designation For Nevada Profit Corporations (Pursuant to NRS 78.1955)

1. Name of corporation:

Victory Energy Corporation

2. By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.

A series of Eight Hundred Ten Thousand (810,000) shares of Preferred Stock, $0.001 par value per share, designated as Series C Preferred Stock. The relative preferences, rights and limitations of shares of Series C Preferred Stock are set forth on Exhibit A to this Certificate of Designation.

3. Effective date of filing: (optional)

(must not be later than 90 days after the certificate is filed)

4. Signature: (required)

x Kenneth Bill

Signature of Officer

Filing Fee: $175.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

Nevada Secretary of State Stock Designation
Revised: 1-5-15

EXHIBIT A

VICTORY ENERGY CORPORATION

CERTIFICATE OF DESIGNATION OF PREFERENCES, RIGHTS AND LIMITATIONS OF SERIES C PREFERRED STOCK

PURSUANT TO SECTION 78.1955 OF THE NEVADA REVISED STATUTES

Victory Energy Corporation, a Nevada corporation (the "Corporation"), does hereby certify that, pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the provisions of Section 78.1955 of the Nevada Revised Statutes, the board of directors of the Corporation (the "Board of Directors") has adopted the following resolution creating the following series of the Corporation's Series C Preferred Stock and determined the voting powers, designations, powers, preferences and relative, participating, optional, or other special rights, and the qualifications, limitations, and restrictions thereof, of such series:

RESOLVED, that the Board of Directors does hereby provide for the issuance of the following series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 8(d).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Common Stock" means the Corporation's common stock, par value $0.001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Corporation which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Price" shall have the meaning set forth in Section 6(a).

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the shares of Preferred Stock in accordance with the terms hereof.

"Distribution" shall have the meaning set forth in Section 8(c).

"Fundamental Transaction" shall have the meaning set forth in Section 8(d). "Holder" shall have the meaning set forth in Section 2.

"Liquidation" shall have the meaning set forth in Section 5.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any **kind.**

"Preferred Stock" shall have the meaning set forth in Section 2.

" Purchase Rights" shall have the meaning set forth in Section 8(b).

"Senior Preferred Stock" means the Preferred Stock and the Corporation's Series D Preferred Stock.

"Settlement Agreement" means the Settlement Agreement and Mutual Release, dated on or about the date hereof, between the Corporation and Visionary Private Equity Group, LLC, as amended, modified or supplemented from time to time in accordance with its terms.

"Stated Value" shall have the meaning set forth in Section 2.

"Transaction Agreement" means the Transaction Agreement, dated on or about the date hereof, between the Corporation and Armacor Victory Ventures, LLC, as amended, modified or supplemented from time to time in accordance with its terms.

"Transfer Agent" means Transfer Online, Inc., the current transfer agent of the Corporation with a mailing address of 512 SE Salmon Street, Portland, Oregon 97214, and any successor transfer agent of the Corporation.

Section 2. Designation, Amount and Par Value. The series of preferred stock shall be designated as Series C Preferred Stock (the "Preferred Stock") and the number of shares so designated shall be 810,000, which shall not be subject to increase without the written consent of the holders of the Preferred Stock (each, a "Holder" and collectively, the "Holders") in accordance with Section 4 below. Each share of Preferred Stock shall have a par value of $0.001 per share and a stated value of $7.94005355555556 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock (the "Stated Value").

Section 3. Dividends. Except for stock dividends or distributions for which adjustments are to be made pursuant to Section 8, Holders shall be entitled to receive, and the Corporation shall pay, dividends on shares of Preferred Stock equal (on an as-if-converted-to-

Common-Stock basis) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Preferred Stock.

Section 4. Voting Rights. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each Holder shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such Holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Designation, the Holders shall vote together with the holders of shares of Common Stock as a single class. However, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a Liquidation senior to the Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (d) increase the number of authorized shares of Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing. '

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of shares of Common Stock by reason of their ownership thereof, the higher of (a) an amount equal to the Stated Value per share, plus any dividends declared but unpaid thereon, which amount shall be paid pari passu with all holders of the Corporation's Senior Preferred Stock, or (b) the same amount that a holder of Common Stock would receive if the Preferred Stock were fully converted (disregarding for such purposes any conversion limitations hereunder) to Common Stock immediately prior to such Liquidation, which amount shall be paid pari passu with all holders of Common Stock. The Corporation shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

Section 6. Automatic Conversion.

(a) Trigger Event. On the date on which all Funding Conditions (as defined in the Transaction Agreement) have been satisfied (the "Conversion Date"), each share of Preferred Stock plus accrued, but unpaid, dividends thereon shall be automatically converted (without the payment of additional consideration by the Holder thereof), into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Conversion Date. The "Conversion Price" shall initially be equal to $0.04. Such initial Conversion Price, and the rate at which shares of Preferred Stock plus accrued, but unpaid dividends thereon, may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Mechanics of Conversion. All Holders of record shall be sent written notice of the Conversion Date and the place designated for conversion of all such shares of Preferred Stock pursuant to this Section 6. Such notice need not be sent in advance of the occurrence of the Conversion Date. Upon receipt of such notice, each Holder shall surrender his, her or its certificate or certificates for all such shares (or, if such Holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation and the Transfer Agent to indemnify the Corporation and/or the Transfer Agent against any claim that may be made against the Corporation and/or the Transfer Agent on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation or the Transfer Agent, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation or the Transfer Agent, duly executed by the registered Holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 6(a), including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Conversion Date (notwithstanding the failure of the Holder or Holders to surrender the certificates at or prior to such time), except only for the rights of the Holders, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Section 6(b). As soon as practicable after the Conversion Date and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall issue and deliver to such Holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 6(d) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion (if applicable) and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of its preferred stock accordingly.

(c) Inability to Reserve Shares Issuable Upon Conversion. The Holder acknowledges that the Corporation does not have sufficient Common Stock authorized under its articles of incorporation to issue to the Holder the Conversion Shares issuable to the Holder upon conversion of the Preferred Stock. The Corporation covenants that it will use commercially reasonable efforts to obtain Shareholder Approval (as defined in the Transaction Agreement), as soon as practicable, such that the Corporation will be able to reserve sufficient shares of Common Stock for the purpose of issuance upon conversion of the Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(d) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Stock. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(e) Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transferinvolving the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holders of such shares of Preferred Stock and the Corporation shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

Section 7. Redemption. The Preferred Stock is not redeemable other than as otherwise expressly authorized herein.

Section 8. Adjustments.

(a) Stock Dividends and Stock Splits. If the Corporation, at any time while the Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of the Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 8(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 8(a) above, if at any time the Corporation grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property, in each case pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of such Holder's Preferred Stock (without regard to any limitations on exercise hereof) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no. such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(c) Pro Rata Distributions. During such time as the Preferred Stock is outstanding, if the Corporation declares or makes any dividend or other distribution of its assets

(or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of the Preferred Stock, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete Conversion of the Preferred Stock (without regard to any limitations on Conversion hereof) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution.

(d) Fundamental Transaction. If, at any time while the Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of the Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the conversion of the Preferred Stock), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which the Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to any limitation on the conversion of the Preferred Stock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the

Alternate Consideration it receives upon any conversion of the Preferred Stock following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Corporation or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor to assume in writing all of the obligations of the Corporation under this Certificate of Designation and the Settlement Agreement in accordance with the provisions of this Section 8(d).

(e) Calculations. All calculations under this Section 8 shall be made to the nearest cent or the nearest 11100th of a share, as the case may be. For purposes of this Section 8, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

(f) Notice to the Holders.

(i) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 8, the Corporation shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend o n o r a redemption of the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of the Preferred Stock, and shall cause to be delivered to each Holder at its last address as it shall appear upon the stock books of the Corporation, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record i s not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity

of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of its subsidiaries, the Corporation shall simultaneously file such notice with the United States Securities and Exchange Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert the Preferred Stock (or any part hereof) during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 9. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Corporation at 3355 Bee Caves Road, Suite 608, Austin, TX 78746, Attention Kenny Hill, facsimile number (866) 234-9806, e-mail address Kenny@vyey.com, or such other facsimile number, e-mail address, or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address, or address of such Holder appearing on the books of the Corporation, or if no such facsimile number, e-mail address, or address appears on the books of the Corporation, at the principal place of business of such Holder, as set forth in the Settlement Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or e-mail prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay liquidated damages, accrued dividends and accrued interest, as applicable, on the shares of Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Preferred Stock Certificate. If a Holder's Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation or the Transfer Agent.

(d) Waiver. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of

any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

(e) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(f) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(g) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

(h) Status of Converted or Redeemed Preferred Stock. Shares of Preferred Stock may only be issued pursuant to the Settlement Agreement. If any shares of Preferred Stock shall be converted, redeemed or reacquired by the Corporation, such shares shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series C Preferred Stock.

****

150103

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the office of	Document Number
Barbara K. Cegavske	20170355669-54
Barbara K. Cegavske Secretary of State State of Nevada	Filing Date and Time 08/21/2017 11:42 AM
	Entity Number C71-1982

Certificate of Designation
(PURSUANT TO NRS 78.1955)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Designation For Nevada Profit Corporations (Pursuant to NRS 78.1955)

1. Name of corporation:

Victory Energy Corporation

2. By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.

A series of Twenty Thousand (20,000) shares of Preferred Stock, $0.001 par value per share, designated as Series D Preferred Stock. The relative preferences, rights and limitations of shares of Series D Preferred Stock are set forth on Exhibit A to this Certificate of Designation.

3. Effective date of filing: (optional)

(must not be later than 90 days after the certificate is filed)

4. Signature: (required)

X Kenneth Bill

Signature of Officer

Filing Fee: $175.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

EXHIBIT A

VICTORY ENERGY CORPORATION

CERTIFICATE OF DESIGNATION OF PREFERENCES, RIGHTS AND LIMITATIONS OF SERIES D PREFERRED STOCK

PURSUANT TO SECTION 78.1955 OF THE NEVADA REVISED STATUTES

Victory Energy Corporation, a Nevada corporation (the "Corporation"), does hereby certify that, pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the provisions of Section 78.1955 of the Nevada Revised Statutes, the board of directors of the Corporation (the "Board of Directors") has adopted the following resolution creating the following series of the Corporation's Series D Preferred Stock and determined the voting powers, designations, powers, preferences and relative, participating, optional, or other special rights, and the qualifications, limitations, and restrictions thereof, of such series:

RESOLVED, that the Board of Directors does hereby provide for the issuance of the following series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 8(b).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Common Stock" means the Corporation's common stock, par value $0.001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Corporation which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Date" shall have the meaning set forth in Section 7(b). "Conversion Price" shall have the meaning set forth in Section 7(a).

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the shares of Preferred Stock in accordance with the terms hereof.

"Fundamental Transaction" shall have the meaning set forth in Section 8(b). "Holder" shall have the meaning set forth in Section 2.

"Liquidation" shall have the meaning set forth in Section 5.

"Notice of Conversion" shall have the meaning set forth in Section 7(b).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Stock" shall have the meaning set forth in Section 2. "Redemption" shall have the meaning set forth in Section 6. "Redemption Date" shall have the meaning set forth in Section 6. "Redemption Price" shall have the meaning set forth in Section 6.

"Senior Preferred Stock" means the Preferred Stock and the Corporation's Series C Preferred Stock.

"Settlement Agreement" means the Settlement Agreement and Mutual Release, dated on or about the date hereof, between the Corporation and the McCall Firm, as amended, modified or supplemented from time to time in accordance with its terms.

"Stated Value" shall have the meaning set forth in Section 2.

"Transaction Agreement" means the Transaction Agreement, dated on or about the date hereof, between the Corporation and Armacor Victory Ventures, LLC, as amended, modified or supplemented from time to time in accordance with its terms.

"Transfer Agent" means Transfer Online, Inc., the current transfer agent of the Corporation with a mailing address of 512 SE Salmon Street, Portland, Oregon 97214, and any successor transfer agent of the Corporation.

Section 2. Designation. Amount and Par Value. The series of preferred stock shall be designated as Series D Preferred Stock (the "Preferred Stock") and the number of shares so designated shall be 20,000, which shall not be subject to increase without the written consent of the holders of the Preferred Stock (each, a "Holder" and collectively, the "Holders") in accordance with Section 4 below. Each share of Preferred Stock shall have a par value of $0.001 per share and a stated value of $19.01615 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock (the "Stated Value").

Section 3. Dividends. Except for stock dividends or distributions for which adjustments are to be made pursuant to Section 8, no dividends shall be paid on shares of Preferred Stock.

Section 4. Voting Rights. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each Holder shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such Holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Designation, the Holders shall vote together with the holders of shares of Common Stock as a single class. However, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a Liquidation senior to the Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (d) increase the number of authorized shares of Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of shares of Common Stock by reason of their ownership thereof, an amount equal the Stated Value per share, plus any dividends declared but unpaid thereon, which amount shall be paid pari passu with all holders of the Corporation's Senior Preferred Stock. The Corporation shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

Section 6. Redemption. To the extent of funds legally available for the payment therefor, the Corporation shall redeem the outstanding shares of Preferred Stock, at a redemption price equal to the Stated Value per share (subject to adjustment herein) (the "Redemption Price"), payable in cash in equal monthly installments commencing on the fifteenth (15th) calendar day following the date that the Corporation obtains the Shareholder Approval (as defined in the Transaction Agreement) (each such date, a "Redemption Date" and each such redemption, a "Redemption"). Shares of Preferred Stock redeemed in accordance with the terms hereof shall be canceled and shall not be reissued. From and after the close of business on the Redemption Date, unless there shall have been a default in the payment of the Redemption Price, all rights of holders of shares of Preferred Stock (except the right to receive the Redemption Price) who have elected to redeem shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Preferred Stock on the Redemption Date are insufficient to redeem the total number of outstanding shares of Preferred Stock, the holders of shares of Preferred Stock shall share ratably in any funds legally available for redemption of such shares according to the respective amounts

which would be payable with respect to the full number of shares owned by them if all such outstanding shares were redeemed in full. The shares of Preferred Stock not redeemed shall remain outstanding and entitled to all rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Preferred Stock, such funds will be used, at the end of the next succeeding fiscal quarter, to redeem the balance of such shares, or such portion thereof for which funds are then legally available, on the basis set forth above.

Section 7. Conversion.

(a) Conversion at Option of Holder. If, following the date when Shareholder Approval (as defined in the Transaction Agreement) has been obtained, any portion of the Redemption Price has not been paid by the Corporation on any Redemption Date, the Holder may, at its option, elect to convert each share of Preferred Stock plus accrued, but unpaid dividends thereon, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Conversion Date; provided, however, that in lieu of such conversion and before giving effect thereto, the Corporation may elect to bring current the redemption payments payable under Section 6 above. The "Conversion Price" shall initially be equal to $0.04. Such initial Conversion Price, and the rate at which shares of Preferred Stock plus accrued, but unpaid dividends thereon, may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Mechanics of Conversion. Holders shall effect conversions by providing the Corporation with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"). Each Notice of Conversion shall specify the number of shares of Preferred Stock to be converted, the number of shares of Preferred Stock owned prior to the conversion at issue, the number of shares of Preferred Stock owned subsequent to the conversion at issue and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by facsimile such Notice of Conversion to the Corporation (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions of shares of Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing the shares of Preferred Stock to the Corporation unless all of the shares of Preferred Stock represented thereby are so converted, in which case such Holder shall deliver the certificate representing such shares of Preferred Stock promptly following the Conversion Date at issue. As soon as practicable after the Conversion Date, the Corporation shall issue and deliver to such Holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 7(d) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion (if applicable) and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such

appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of its preferred stock accordingly.

(c) Inability to Reserve Shares Issuable Upon Conversion. The Holder acknowledges that the Corporation does not have sufficient Common Stock authorized under its articles of incorporation to issue to the Holder the Conversion Shares issuable to the Holder upon conversion of the Preferred Stock. The Corporation covenants that it will use commercially reasonable efforts to obtain Shareholder Approval (as defined in the Transaction Agreement), as soon as practicable, such that the Corporation will be able to reserve sufficient shares of Common Stock for the purpose of issuance upon conversion of the Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(d) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Stock. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(e) Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involving the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holders of such shares of Preferred Stock and the Corporation shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

Section 8. Adjustments.

(a) Stock Dividends and Stock Splits. If the Corporation, at any time while the Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of the Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Redemption Price and the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 8(a) shall become effective immediately after the record date for the determination of

stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Fundamental Transaction. If, at any time while the Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person , (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a " Fundamental Transaction"), then, upon any subsequent conversion of the Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the conversion of the Preferred Stock), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which the Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to any limitation on the conversion of the Preferred Stock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of the Preferred Stock following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Corporation or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor to assume in writing all of the obligations of the Corporation under this Certificate of Designation and the Settlement Agreement in accordance with the provisions of this Section 8(b).

(c) Calculations. All calculations under this Section 8 shall be made to the nearest cent or the nearest 11100th of a share, as the case may be. For purposes of this Section 8, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

(d) Notice to the Holders.

(i) Adjustments. Whenever the Redemption Price and the Conversion Price are adjusted pursuant to any provision of this Section 8, the Corporation shall promptly deliver to each Holder a notice setting forth the Redemption Price and the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or. substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of the Preferred Stock, and shall cause to be delivered to each Holder at its last address as it shall appear upon the stock books of the Corporation, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of its subsidiaries, the Corporation shall simultaneously file such notice with the United States Securities and Exchange Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert the Preferred Stock (or any part hereof) during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 9. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Corporation at 3355 Bee Caves Road, Suite 608, Austin, TX 78746, Attention Kenny Hill, facsimile number (866) 234-9806, e-mail address Kenny@vyey.com, or such other facsimile number, e-mail address, or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address, or address of such Holder appearing on the books of the Corporation, or if nosuch facsimile number, e-mail address, or address appears on the books of the Corporation, at the principal place of business of such Holder, as set forth in the Settlement Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or e-mail prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay liquidated damages, accrued dividends and accrued interest, as applicable, on the shares of Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Preferred Stock Certificate. If a Holder's Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation or the Transfer Agent.

(d) Waiver. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach ofsuch provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

(e) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(f) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(g) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

(h) Status of Converted or Redeemed Preferred Stock. Shares of Preferred Stock may only be issued pursuant to the Settlement Agreement. If any shares of Preferred Stock shall be converted, redeemed or reacquired by the Corporation, such shares shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series D Preferred Stock.

****

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert the number of shares of Series D Preferred Stock indicated below into shares of common stock, par value $0.001 per share (the "Common Stock"), of Victory Energy Corporation, a Nevada corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as may be required by the Corporation. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date of Conversion: _____

Number of shares of Preferred Stock owned prior to Conversion: ____

Number of shares of Preferred Stock to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Applicable Conversion Price: _____

Number of shares of Preferred Stock subsequent of Conversion: ____

Address for Delivery:

_____

Or DWAC Instructions (if can be sold without restriction under Rule 144):

Broker no: _____

Account no: _____

[HOLDER]

By:

_____

Name:

Title:

TRANSACTION AGREEMENT

This **TRANSACTION AGREEMENT** (hereinafter the "**Agreement**") is entered into and shall become effective as of August 21, 2017, by and between **VICTORY ENERGY CORPORATION**, a Nevada corporation ("**Victory**"), and **ARMACOR VICTORY VENTURES, LLC**, a Delaware limited liability company (" **Armacor**"). Victory and Armacor are referred to individually as a "**Party**" and, collectively, as the "**Parties**."

RECITALS

A. On June 9, 2017, Victory and Armacor Holdings, LLC, a Delaware limited liability company and an affiliate of Armacor ("**Armacor Holdings**"), entered into a nonbinding Letter of Intent (the " **Letter of Intent**") that contemplated, among other things, (i) the granting by Armacor to Victory of a worldwide, perpetual, royalty free, fully paid up and exclusive sublicense (the "**License**") to all of Armacor's owned and licensed intellectual property for use in the Oilfield Services Business (as that term is defined below), and (ii) the contribution by Armacor to Victory of Five Million Dollars ($5,000,000) (the "**Cash Contribution**"). Immediately prior to the execution of this Agreement on the date hereof, Armacor Holdings assigned the Letter of Intent to Armacor, and the Parties desire to hereby enter into this Agreement to set forth the definitive terms and conditions of the transactions contemplated by the Letter of Intent.

B. In consideration for the License and the Cash Contribution, Victory is issuing to Armacor 800,000 shares (the " **Series B Shares**") of its newly designated Series B Convertible Preferred Stock (the "**Series B Preferred Stock**"). The Series B Shares will constitute at Closing (as defined below) 90% of the issued and outstanding common stock of Victory on a fully-diluted basis and after giving effect to the issuance of the Series B Preferred Stock and other securities of Victory being issued as contemplated by this Agreement and the Closing Documents (as defined below) other than shares of Victory Common Stock issuable upon conversion of the VPEG Note (as defined below). The Series B Preferred Stock does not have the right to vote except as required by law, will not accrue dividends, and will not be convertible into Victory Common Stock until (i) Victory's shareholders have approved ("**Shareholder Approval**") the matters to be voted on at the Shareholders' Meeting (as defined below), (ii) the entire Cash Contribution has been made, and (iii) certain other conditions as specified herein are satisfied.

C. On or prior to the Closing, Victory has arranged for Visionary Private Equity Group I, L.P. (" **VPEG**") to loan to Victory under the terms of a loan agreement between Victory and VPEG, dated on or about the date hereof, Five Hundred Thousand Dollars ($500,000) (the "**VPEG Loan**"), which VPEG Loan is evidenced by a secured convertible promissory note (the " **VPEG Note**") in the principal amount of Five Hundred Fifty Thousand Dollars ($550,000) as the VPEG Loan was made at an original issue discount of Fifty Thousand Dollars ($50,000).

D. On or before September 1, 2017 Armacor will pay to VPEG and to certain creditors of Victory a total of approximately $594,154 in liabilities, including $550,000 owed to VPEG under the VPEG Note and certain other liabilities owed to various other Victory creditors and Victory is obtaining written agreements from all of its creditors regarding the orderly repayment of the

remaining balance of such liabilities. In addition, Armacor and Victory are agreeing upon a schedule of liabilities and working capital needs that is set forth on **Exhibit A** to this Agreement (the " **Schedule of Liabilities**") that are expected to arise between the Closing and the date that Shareholder Approval is obtained. In exchange for Armacor paying off the VPEG Loan, the amounts owed to the other Victory creditors and funding the Schedule of Liabilities, Armacor will receive a secured delayed draw term note (the "**Armacor Note**") in the original principal amount of the amount $594,154, with additional amounts being added to principal as additional advances are made to fund the Schedule of Liabilities or other expenses that Armacor agrees to fund. The Armacor Note will be secured by a first priority security interest in all of the assets of Victory. Upon obtaining Shareholder Approval, all of the obligations of Victory under the Armacor Note will be forgiven and the outstanding principal amount of, and all accrued, but unpaid interest under, the Armacor Note will be credited toward Armacor's obligation to make the Cash Contribution.

E. Victory will hold a special meeting of its shareholders (the " **Shareholders' Meeting**") as soon as possible after the date hereof in order to obtain Shareholder Approval of, among other things, amendments to the Articles of Incorporation of Victory to effect a reverse split of Victory's common stock and an increase in the number of authorized shares of Victory's common stock such that there will be sufficient common stock authorized to allow for the conversion of the outstanding Series B Preferred Stock and other series of preferred stock that will be outstanding on the date of the Shareholders' Meeting (collectively, the "**Charter Amendment**").

F. If, Victory does not obtain Shareholder Approval on or before the first anniversary of the Closing because of Victory's breach of any covenant, representation, or other provision contained in this Agreement, then Armacor, at its option, may unwind the transactions contemplated by this Agreement as described in more detail herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties hereto, intending to be legally bound, hereby agree as follows:

1.**ARMACOR'S OBLIGATIONS**. In consideration for the Series B Shares and Victory's other obligations to Armacor hereunder, Armacor shall perform the following covenants:

(a) Grant of Licenses. At the Closing, Armacor and Victory will enter into the exclusive sublicense agreement in the form of **Exhibit B** to this Agreement (the " **License Agreement**") pursuant to which Armacor will grant to Victory the License. Also at the Closing, Armacor will cause Liquidmetal Coatings Enterprises, LLC, a Delaware limited liability company and an affiliate of Armacor ("**LMCE**"), to enter into a trademark license agreement, substantially in the form set forth as **Exhibit C** hereto (the "**Trademark License Agreement**"), under which LMCE will license the "Liquidmetal Coatings" and "Armacor" trademarks and service marks to Victory.

(b) Cash Contribution.

(i) Within three (3) business days after the satisfaction of the Funding Conditions (as defined below), Armacor shall contribute to Victory (i) an amount equal to (x) Five Million

Dollars ($5,000,000) less (y) the outstanding balance of the Armacor Note as of the date of the conversion of the Series B Preferred Stock, with such payment to be made in cash in immediately available funds to an account specified by Victory in writing, and (ii) the Armacor Note, which shall thereupon be deemed cancelled and satisfied in full. Notwithstanding the foregoing, Armacor shall have the right, but not the obligation, to waive satisfaction of any of the Funding Conditions in writing.

(ii) If the Funding Conditions have been satisfied, but Armacor fails to make the Cash Contribution within 30 days of the satisfaction of the Funding Conditions, Victory may, in its sole discretion, seek up to $5 million of equity capital from other sources, including, without limitation, from VPEG, its affiliates and designees under the option granted to VPEG pursuant to Section 5 of that certain Loan Agreement between VPEG and Victory, dated on or about the date hereof.

(iii) If the Funding Conditions have been satisfied, but Armacor fails to make the Cash Contribution, then a number of Armacor's Series B Shares (or, if converted, the Common Stock equivalent) shall be cancelled in accordance with the following formula.

Cancelled Series B Shares = X% of 213,333

For purposes of the foregoing formula:

X= (A - B)/A

A= 5,000,000

B=the amount of the Cash Contribution funded by Armacor

Notwithstanding the foregoing, under no circumstances shall the number of Armacor Series B Shares be reduced to less than 586,667 Series B Shares (or, if converted, the Common Stock equivalent) without Armacor's prior written consent. The above cancellation shall be made at such time as Victory has reasonably determined that Armacor will not be able to fund any additional amounts under the Cash Contribution and Victory notifies Armacor of the same in writing upon 30 days prior written notice, provided that such notice shall not be delivered any earlier than 30 days after the date on which the Funding Conditions are satisfied.

For example, if Armacor funds $1 million of the Cash Contribution, then 170,666.4 Series B Shares would be cancelled by operation of the above formula and Armacor would be left with 629,333.6 Series B Shares.

As soon as possible, but in any event within ten (10) days, following Armacor's failure to make all or any part of the Cash Contribution, Victory and Armacor shall enter into a cancellation agreement that is mutually satisfactory to both parties and consistent with this Section 1(b) that evidences the cancellation of Series B Shares (or, if converted, the Common Stock equivalent) and Victory and Armacor shall file an amendment to the Certificate of Designation of the Series B Preferred Stock

to reflect the revised number of Series B Shares and to permit the conversion of such Series B Shares into Common Stock of Victory.

The cancellation of Series B Shares in accordance with this Section 1(b) shall be Victory's sole remedy for the failure of Armacor to fund the Cash Contribution, including any failure by Armacor to make the loans described in Section 1(c) below. In the event of a stock split, stock combination, recapitalization or similar transaction an equitable adjustment shall be made to all share numbers and price per share amounts.

(c) Loans to Victory.

(i) *Initial Draw*. On the terms and subject to the conditions hereinafter set forth, Armacor shall lend to Victory (the "**Loan**") on or before September 1, 2017 in accordance with the Armacor Note Five Hundred Ninety-Four Thousand, One Hundred Fifty-Four Dollars ($594,154) (the "**Initial Draw**"). The Initial Draw shall be used to repay the VPEG Loan and to pay Victory creditors as expressly provided in the Disbursement Instructions (as defined below) and not for any other purpose.

(ii) *Schedule of Liabilities*. **Exhibit A** to this Agreement is the Schedule of Liabilities, which reflects Victory's expected working capital needs that will arise between the Closing and the date that Shareholder Approval is obtained. The Schedule of Liabilities reflects the amount of expected liabilities, the date when such liabilities are expected to come due, the party to whom such liabilities are owed and other information relating to expected Victory liabilities between the Closing and the date that Shareholder Approval is obtained. From and after September 1, 2017, Victory may, in its sole discretion, notify Armacor in writing that it desires to draw (each a "**Draw**") additional amounts under the Loan that are consistent with the Schedule of Liabilities. To be valid, any such notification (a "**Draw Notification**") must (i) be received by Armacor before the sooner of (a) the date that the Parties terminate this Agreement, or (b) the first anniversary of the date hereof, (ii) specify the amount being borrowed (which shall not exceed amounts specified in the Schedule of Liabilities without the consent of Armacor), and (iii) contain a certification, signed by an executive officer of Victory, certifying that (x) no material breach or default by Victory has occurred under this Agreement, the Note, or any other Closing Document, and Victory has performed all obligations required by Victory to be performed through the date of such certification under the Closing Documents, (y) all representations and warranties made by Victory in this Agreement are true and correct in all material respects with the same effect as though the representations and warranties had been made on and as of the proposed Draw date, and (z) there has not been any change, circumstance, condition, or event which has had or could have a Material Adverse Effect on Victory. Within three (3) days after Armacor's receipt of a Draw Notification (or such other date as Victory and Armacor may mutually agree in writing), Armacor shall be obligated to complete the specified Draw, so long as there is no existing or reasonably anticipated default by Victory under this Agreement or any agreement being entered into in connection with this Agreement at the Closing (the "**Closing Documents**"); provided, however, that notwithstanding the foregoing, Victory may withdraw a Draw Notification by written notice to Armacor that is received prior to the date that the Draw has been made. For each Draw, Victory shall execute an amendment to the Note to add thereto the principal amount of such Draw and Armacor shall disburse the amount of

the Draw by wire transfer of immediately available funds in United States Dollars to the account specified by Victory in writing.

(iii) *Armacor Note*. The Loan shall be evidenced by the Armacor Note in the form attached as **Exhibit D** in the principal amount of the Initial Draw. Principal and interest on the Armacor Note shall be due and payable in the manner and at the times set forth in the Armacor Note. All payments on the Armacor Note shall be made to Armacor at its address as specified on the signature page to this Agreement in federal or other immediately available funds.

(iv) *Use of Proceeds*. Victory shall use the Initial Draw and any subsequent Draws only for the uses specified in the Disbursement Instructions (as defined below) unless otherwise agreed to in writing by Armacor.

(v) *Security Agreement*. On the date that the Loan is made to Victory, Victory and Armacor shall enter into the security agreement in the form of **Exhibit E** to this Agreement (the " **Security Agreement**"). Pursuant to the Security Agreement, Victory shall grant to Armacor a first priority security interest in all of its assets as collateral to secure Victory's obligations under the Armacor Note, including its obligation to repay the Loan when the Loan comes due.

(vi) *Payment and Distribution of Documents at the Closing*. Armacor shall pay the Initial Draw by wire transfer of immediately available funds in United States Dollars and shall be responsible for disbursement of those amounts according to disbursement instructions to be mutually agreed upon between Victory and Armacor (the " **Disbursement Instructions**"). Separate Disbursement Instructions shall be a condition to the funding of each subsequent Draw. The Disbursement Instructions shall allocate the proceeds of each Draw to the specific uses therefor.

2. **VICTORY'S OBLIGATIONS**. In consideration for the License, the Cash Contribution, and Armacor's other obligations to Victory hereunder, Victory shall perform the following covenants

(a) Issuance of Series B Shares. At the Closing, Victory shall issue to Armacor the Series B Shares. The Series B Shares will constitute at Closing 90% of the issued and outstanding common stock of Victory on a fully-diluted basis and after giving effect to the issuance of the Series B Preferred Stock and all other transactions occurring on or about the Closing Date pursuant to this Agreement and the Closing Documents. The Series B Preferred Stock has the rights, preferences, and limitations specified in the Certificate of Designation of the Series B Preferred Stock in the form attached hereto as **Exhibit F**.

(b) Issuance of the Armacor Note. On the date that the Initial Draw is funded and in consideration for the Initial Draw Victory shall issue the Armacor Note to Armacor and enter into the Security Agreement to grant to Armacor a first priority security interest in all of the assets of Victory.

(c) Proxy Statement.

(i) Victory shall prepare, in consultation with Armacor, and file with the Securities and Exchange Commission (the " **SEC**") a preliminary proxy or information statement relating to (i) a reverse split of Victory's common stock and an increase in the number of authorized shares of Victory's common stock such that there will be sufficient common stock authorized to allow for the conversion of the outstanding Series B Preferred Stock and other series of Victory Preferred Stock and (ii) the Divestiture (as defined in the Divestiture Agreement) (a "**Proxy Statement**") promptly after the date of this Agreement (and in no event later than thirty (30) days after the Closing) and use its reasonable best efforts to:

(A) obtain and furnish the information required to be included by the SEC in the preliminary Proxy Statement;

(B) respond promptly to any comments made by the SEC or its staff with respect to the preliminary Proxy Statement;

(C) cause a definitive Proxy Statement (together with any amendments and supplements thereto) to be mailed to its shareholders as soon as reasonably practicable containing all information required under applicable law to be furnished to Victory's shareholders in connection with the matters to be approved by the shareholders;

(D) promptly amend or supplement any information provided by it for use in the preliminary or definitive Proxy Statement (including any amendments or supplements thereof) if and to the extent that it shall have become false or misleading in any material respect and take all steps necessary to cause the Proxy Statement as so amended or supplemented to be filed with the SEC and to be disseminated to Victory's shareholders, in each case as and to the extent required by applicable United States federal securities laws; and

(E) cause the preliminary and definitive Proxy Statements, on each relevant filing date, on the date of mailing to Victory's shareholders and at the time of the Shareholders' Meeting, not to contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, and cause the Proxy Statement to comply as to form in all material respects with the provisions of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the rules and regulations promulgated thereunder.

Notwithstanding the foregoing, Victory shall have no responsibility with respect to any information supplied by Armacor for inclusion or incorporation by reference in the Proxy Statement. Armacor and its counsel shall be given a reasonable opportunity to review and comment on the preliminary and the definitive Proxy Statement and any amendment or supplement to the preliminary or the definitive Proxy Statement, as the case may be, each time before any such document is filed with the SEC, and Victory shall give reasonable and good faith consideration to any comments made by Armacor and its counsel.

(ii) Armacor shall use reasonable best efforts to:

(A) cause the information supplied or to be supplied by or on behalf of Armacor in writing expressly for inclusion or incorporation by reference in the Proxy Statement not to contain, on the date of the mailing to Victory's shareholders and at the time of the Shareholders' Meeting, any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading; and

(B) promptly inform Victory if at any time prior to the Shareholders' Meeting, any event relating to Victory or any of its affiliates, officers or directors should be discovered by Armacor which is required to be set forth in a supplement to the Proxy Statement.

(d) Meeting of Company Shareholders. Victory shall take all action reasonably necessary in accordance with Nevada law and Victory's articles of incorporation and bylaws to establish a record date, duly call, give notice of, convene and hold the Shareholders' Meeting reasonably promptly after the date of any SEC comments on the Proxy Statement have been resolved and the final Proxy Statement is otherwise ready for dispatch and, in connection therewith, Victory shall mail the Proxy Statement to the Victory's shareholders in advance of such meeting. The Proxy Statement shall include the board recommendation of Victory that shareholders approve the proposals coming before them at the Shareholders' Meeting, and Victory will use reasonable best efforts to solicit from its shareholders proxies in favor of the adoption of proposals coming before the Shareholders' Meeting and to take all other actions necessary or advisable to pursue the vote or consent of its shareholders, including such actions as are required by the rules and regulations of the OTCQB or Nevada law or any other applicable laws to obtain such approvals. Unless this Agreement is terminated by Victory or Armacor, as the case may be, Victory shall use reasonable best efforts to ensure that any Shareholders' Meeting (including any adjournment or postponement thereof) is called, noticed, convened, held and conducted, and that all proxies solicited by it in connection with the Shareholders' Meeting (including any adjournment or postponement thereof) are solicited, in compliance with Nevada law, Victory's Articles of Incorporation and Bylaws, the rules of the OTCQB and all other applicable laws.

(e) Funding Conditions. Within three (3) business days after Shareholder Approval is obtained, Victory will (i) cause the Charter Amendment to be filed and accepted for filing with the State of Nevada, (ii) cause the aforementioned reverse stock split to be effected, and (iii) deliver to Armacor a written certification, signed by an executive officer of Victory, certifying that (x) no material breach or default by Victory has occurred under this Agreement or any other Closing Document, and Victory has performed all obligations required by Victory to be performed through the date of such certification under the Closing Documents, (y) all representations and warranties made by Victory in this Agreement are true and correct in all material respects with the same effect as though the representations and warranties had been made on and as of the date of such certificate, and (z) there has not been any change, circumstance, condition, or event which has had or could

have a Material Adverse Effect on Victory (the foregoing (i), (ii), and (iii) being referred to as the " **Funding Conditions**").

3. **ARMACOR'S RIGHT TO UNWIND**.

(a) Right to Unwind. If the Funding Conditions are not satisfied on or before the first anniversary of the Closing (or if any circumstances or event occurs that makes it reasonably unlikely that the Funding Conditions will be satisfied on or before the first anniversary of the Closing), other than by reason of a material breach of this Agreement by Armacor, then Armacor, at its option, shall have the right to unwind the transactions contemplated by this Agreement (the "**Right to Unwind**") in accordance with this Section 3.

(b) Exercise of Right to Unwind. Armacor may exercise its Right to Unwind at any time before ninety (90) days following the first anniversary of the Closing, which time period may be extended by the mutual agreement of the Parties. If Armacor elects to exercise the Right to Unwind, it will deliver to Victory a written notice (the "**Unwind Notice**") duly executed by Armacor (1) stating that Armacor is exercising such Right to Unwind, (1) describing to Victory in reasonable detail the basis that gives rise to Armacor's Right to Unwind; and (1) specifying a date for the closing of the unwinding transaction which must be a date that is no later than sixty (60) days following the date that Unwind Notice is given.

(c) Closing of Unwinding Transaction. At the closing of the unwinding transaction (the "**Unwinding Closing**"), (i) Victory shall cancel all outstanding Series B Shares issued to Armacor, (ii) the License shall be terminated, and (iii) all outstanding principal and accrued interest under the Armacor Note shall be repaid over a period of twelve (12) months following the Unwinding Closing in equal monthly installments upon the terms and conditions set forth in the Armacor Note.

4. **REPRESENTATIONS AND WARRANTIES OF VICTORY**. Except as specifically described in the SEC Reports (as defined below) or on the disclosure schedule that is attached to this Agreement (the "**Disclosure Schedule**"), Victory represents and warrants to Armacor that the statements contained in this Section 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 4).

(a) Subsidiaries. Victory owns, directly or indirectly, all of the capital stock or other equity interests of each "significant subsidiary" as defined in Rule 1-02(w) of the Regulation S-X promulgated by the SEC under the Exchange Act (each a "**Subsidiary**") free and clear of any lien, security interest, mortgage, title claim, encumbrance, adverse claim, or pledge (a "**Lien**") other than Liens relating to Aurora that arise under the Aurora partnership agreement and all of the issued and outstanding shares of capital stock or other equity interests of each Subsidiary are validly issued and are fully paid, nonassessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. Victory and each Subsidiary are duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own and

use its properties and assets and to carry on its business as currently conducted. Neither Victory nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Victory and each Subsidiary are duly qualified to conduct its respective businesses and are in good standing in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. For purposes of this Agreement, "**Material Adverse Effect**" means any event, change, circumstance, effect or other matter that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, circumstances, effects or other matters, with or without notice, lapse of time or both, (i) a material and adverse effect on the legality, validity or enforceability of this Agreement or any Closing Document, (ii) a material and adverse effect on the results of operations, assets, properties, business or condition (financial or otherwise) of Victory individually or Victory and the Subsidiaries, taken as a whole, or (iii) a material and adverse impairment to Victory's ability to perform on a timely basis its obligations under this Agreement or any Closing Document, *provided, however*, that any effect(s) arising from or relating to any of the following shall not be deemed, either alone or in combination, to constitute, and shall not be taken into account in determining whether there has been or will be, a Material Adverse Effect: (A) conditions affecting the industries in which the Victory's business operates (which effect(s), in each case, do not disproportionately affect Victory's business relative to other companies conducting businesses similar to Victory's business); (B) general economic, financial market or geopolitical conditions (which effect(s), in each case, do not disproportionately affect Victory's business relative to other companies conducting businesses similar to Victory's business); (C) any change in accounting rules (including GAAP), or the enforcement, implementation or interpretation thereof, after the date hereof; or (D) any effect caused by, relating to or resulting from the announcement or pendency of the transactions contemplated by this Agreement.

(c) Authorization; Enforcement. Except for the need to obtain Shareholder Approval, Victory has the requisite corporate and other power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the Closing Documents and otherwise to carry out its obligations thereunder. The execution and delivery of this Agreement and each of the Closing Documents by Victory and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of Victory other than the need to obtain Shareholder Approval, and, except for obtaining Shareholder Approval, no further action is required by Victory or any Subsidiary in connection herewith or therewith. Each of this Agreement and each Closing Document has been (or upon delivery will have been) duly executed by Victory and, when delivered in accordance with its terms, will constitute the valid and binding obligation of Victory, enforceable against Victory in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(d) No Conflicts. The execution, delivery and performance of this Agreement and each of the Closing Documents by Victory and the consummation by Victory of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of

Victory's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other instrument (evidencing a Victory or Subsidiary debt or otherwise) or other understanding to which Victory or any Subsidiary is a party or by which any property or asset of Victory or a Subsidiary is bound or affected, or (iii) result in a material violation of any Legal Requirement, order, judgment, injunction, decree or other restriction of any Governmental Body to which Victory or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of Victory or a Subsidiary is bound or affected. For purposes of this Agreement, "**Governmental Body**" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature (including any governmental or administrative division, department, agency, SEC, instrumentality, official, organization, unit, body or entity) and any court or other tribunal; and "**Legal Requirement**" means any federal state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (or under the authority of any national securities exchange upon which the Common Stock is then listed or traded). Reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

(e) Filings, Consents and Approvals. Neither Victory nor any Subsidiary is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any Governmental Body or other Person in connection with the execution, delivery and performance by Victory of the this Agreement and Closing Documents, other than (i) the filing with the SEC of the Proxy Statement, current reports on Form 8-K relating to the execution of this Agreement and the Closing Documents and the Closing, (ii) filings required by state securities laws, (iii) the filing of a Notice of Sale of Securities on Form D with the SEC under Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**"), (iv) those that have been made or obtained prior to the date of this Agreement, and (v) other post-closing securities filings or notifications required to be made under federal or state securities laws.

(f) Issuance of the Armacor Note and the Series B Shares . The Armacor Note and the Series B Preferred Shares are duly authorized and, when issued and paid for in accordance with this Agreement and the Closing Documents, will each be duly and validly issued, fully paid and nonassessable, free and clear of all Liens. Upon obtaining Shareholder Approval Victory will have sufficient authorized common stock to allow for the conversion of the Series B Shares.

(g) Capitalization.

1. Section 4(g) of the Disclosure Schedule sets forth as of the date hereof (a) the authorized capital stock of Victory; (b) the number and class of shares of capital stock issued and outstanding; (c) the number and class of shares of capital stock issuable pursuant to Victory's stock incentive plans or agreements; and (d) the number and class of shares of capital stock issuable and reserved for issuance pursuant to securities (other than the Armacor Note and the Series B Shares) exercisable for, or convertible into or exchangeable for any shares of capital stock of Victory.

2. All of the issued and outstanding shares of Victory's capital stock have been duly authorized and validly issued and are fully paid, nonassessable and free of pre-emptive rights and were issued in full compliance with applicable state and federal securities law and any rights of third parties.

3. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Closing Documents.

4. Except as set forth in Section 4(g) of the Disclosure Schedule, there are no outstanding (i) shares of capital stock or voting securities of Victory or (ii) options, warrants, script rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock or voting securities or securities convertible into or exchangeable for capital stock or voting securities of Victory, or contracts, commitments, understandings or arrangements by which Victory or any Subsidiary is or may become bound to issue additional shares of capital stock or voting securities of Victory, or securities or rights convertible or exchangeable into shares of Common Stock or voting securities of Victory (the items in clauses (i) and (ii) being referred to collectively as the "**Victory Securities**"). There are no outstanding obligations of Victory or any Subsidiary to repurchase, redeem or otherwise acquire any Victory Securities.

5. The issuance and sale of the Armacor Note and the Series B Shares will not obligate Victory to issue shares of Common Stock or other securities to any Person (other than Armacor) and will not result in a right of any holder of Victory Securities to adjust the exercise, conversion, exchange or reset price under such securities.

6. Except as set forth in Section 4(g) of the Disclosure Schedule, there are no voting agreements, buy-sell agreements, option or right of first purchase agreements or other agreements of any kind among Victory and any of the securityholders of Victory relating to the securities of Victory held by them.

7. Except as set forth in Section 4(g) of the Disclosure Schedule, no Person has the right to require Victory to register any securities of Victory under the Securities Act, whether on a demand basis or in connection with the registration of securities of Victory for its own account or for the account of any other Person.

(h) SEC Reports; Financial Statements.

(i) Victory has filed all reports, schedules, forms, statements and other documents and registration statements required to be filed by it under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the twelve months preceding the date hereof (or such shorter period as Victory was required by law to file such reports) (the foregoing materials being collectively referred to herein as the "**SEC Reports**" and, together with the Disclosure Schedule, the " **Disclosure Materials**") on a timely basis or has timely filed and received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Victory and each Subsidiary included in the SEC Reports complied in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, and fairly present in all material respects the financial position of Victory and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial year-end audit adjustments. There is no transaction, arrangement, or other relationship between Victory or any Subsidiary and an unconsolidated or other off balance sheet entity that is not disclosed in its financial statements that should be disclosed in accordance with GAAP.

(ii) Victory and each of its Subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Victory maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by Victory in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Except as otherwise disclosed in the SEC Reports, neither Victory nor any of its Subsidiaries has received any notice or correspondence from any accountant, Governmental Body, or other Person relating to any potential material weakness or significant deficiency in any part of the internal controls over financial reporting of Victory or any of its Subsidiaries.

(iii) There is no transaction, arrangement, or other relationship between Victory or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by Victory in its Exchange Act filings and is not so disclosed.

(iv) Except as otherwise disclosed in this Agreement or the Disclosure Materials, there are no material disagreements of any kind presently existing, or reasonably anticipated by Victory arise, between Victory and the accountants and lawyers formerly or presently employed or engaged by Victory, and Victory is current with respect to any fees owed to its accountants and lawyers which could affect Victory's ability to perform any of its obligations under any of the Closing Documents. In addition, on or prior to the date hereof, Victory had discussions with its accountants about its financial statements previously filed with the SEC. Based on those discussions, Victory has no reason to believe that it will need to restate any such financial statements or any part thereof.

(i) Material Changes. Except as described in Section 4(i) of the Disclosure Schedule or in the SEC Reports, since the date of the latest audited financial statements included within the SEC Reports:

(i) There has been no event or circumstance of any nature whatsoever that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect; or

(ii) Except for this Agreement and the other Closing Documents, there has been no transaction, event, action, development, payment, or other matter of any nature whatsoever entered into by Victory that requires disclosure in an SEC Report which has not been so disclosed.

(j) Litigation. There are no pending or, or to the Knowledge of Victory, threatened Actions against Victory or its Subsidiaries or by which its or their assets may be bound except as specifically disclosed in the SEC Reports or in the Disclosure Schedule. Neither Victory nor any Subsidiary, nor to Victory's Knowledge, any director or officer thereof (in his or her capacity as such), is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty, except as disclosed in the Disclosure Materials. There has not been, and to Victory's Knowledge, there is not pending or contemplated any investigation by the SEC involving Victory or any current or former director or officer of Victory (in his or her capacity as such). The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by Victory or any Subsidiary under the Exchange Act or the Securities Act. For purposes of this Agreement, "**Action**" as to any Person, means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or threatened in writing against or affecting such Person, any of such Person's Subsidiaries or any of such Person's or such Subsidiaries' respective properties, before or by any Governmental Body, arbitrator, regulatory authority (federal, state, county, local or foreign), stock market, stock exchange or trading facility.

(k) Compliance. Neither Victory nor any Subsidiary (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by Victory or any Subsidiary under), nor has Victory or any Subsidiary received notice of a claim that it is in default under or that it is in violation of any indenture, loan

or credit agreement or any other material agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or Governmental Body, or (iii) is or has been in material violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters. Victory is in compliance with all effective requirements of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations thereunder, that are applicable to it.

(l) Taxes. Victory has timely and properly filed all tax returns required to be filed by it for all years and periods (and portions thereof) for which any such tax returns were due. All such filed tax returns are accurate in all material respects. Victory has timely paid all taxes due and payable (whether or not shown on filed tax returns). There are no pending assessments, asserted deficiencies or claims for additional taxes that have not been paid. There have been no audits or examinations of any tax returns by any Governmental Body, and Victory has not received any notice that such audit or examination is pending or contemplated. No claim has been made by any Governmental Body in a jurisdiction where Victory does not file tax returns that it is or may be subject to taxation by that jurisdiction. To the Knowledge of Victory, no state of facts exists or has existed which would constitute grounds for the assessment of any penalty or any further tax liability beyond that shown on the respective tax returns. There are no outstanding agreements or waivers extending the statutory period of limitation for the assessment or collection of any tax.

(m) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by Victory to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by this Agreement.

(n) Investment Company Status. Victory is not, and upon consummation of the Closing will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

5. **REPRESENTATIONS AND WARRANTIES OF ARMACOR** . Except as set forth on the Disclosure Schedule, Armacor represents and warrants to Victory that the statements contained in this Section 5 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 5).

(a) Organization and Qualification. Armacor is duly formed or otherwise organized, validly existing and in good standing under the laws of State of Delaware, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Armacor is not in violation of any of the provisions of its certificate of formation or operating agreement or other organizational or charter documents. Armacor is duly qualified to conduct its businesses and is in good standing in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not, individually or in the aggregate,

have or reasonably be expected to result in an Armacor Material Adverse Effect. For purposes of this Agreement, "Armacor Material Adverse Effect" has the same meaning as Material Adverse Effect except that references to Victory are replaced with Armacor.

(b) Authorization; Enforcement. Armacor has the requisite corporate and other power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the Closing Documents and otherwise to carry out its obligations thereunder. The execution and delivery of this Agreement and each of the Closing Documents by Armacor and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of Armacor, no further action is required by Armacor in connection herewith or therewith. Each of this Agreement and each Closing Document has been (or upon delivery will have been) duly executed by Armacor and, when delivered in accordance with its terms, will constitute the valid and binding obligation of Armacor, enforceable against Armacor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(c) No Conflicts. The execution, delivery and performance of this Agreement and each of the Closing Documents by Armacor and the consummation by Armacor of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of Armacor's certificate of formation, operating agreement or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other instrument (evidencing an Armacor debt or otherwise) or other understanding to which Armacor is a party or by which any property or asset of Armacor is bound or affected, or (iii) result in a material violation of any Legal Requirement, order, judgment, injunction, decree or other restriction of any Governmental Body to which Armacor is subject (including federal and state securities laws and regulations), or by which any property or asset of Armacor is bound or affected.

(d) Filings, Consents and Approvals. Armacor is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any Governmental Body or other Person in connection with the execution, delivery and performance by Armacor of the this Agreement and Closing Documents, other than those that have been made or obtained prior to the date of this Agreement.

(e) The License. Armacor has a valid license to all patents, patent applications and other intellectual property (collectively, the "**Intellectual Property Rights"**) that are necessary or material to grant to Victory the License in connection with the intended use thereof in the Oilfield Services Business. At the time that the License is granted to Victory, it shall not be subject to any Lien. Armacor has not received a written notice that the Intellectual Property Rights used by Armacor that will be licensed to Victory under the License violates or infringes upon the rights of any Person. To Armacor's knowledge, all such Intellectual Property Rights are enforceable and there is no

existing infringement by another Person of any of the Intellectual Property Rights. For purposes hereof, the term "**Oilfield Services Business**" means services to the petroleum exploration and production industry and includes, but is not limited to, the following services and any associated products or services to the extent offered or sold in such industry: artificial lift, casing and tubing services, coiled tubing services, completion equipment and services, contract compression services, directional drilling services, downhole drilling tools, drill bits, drilling and completion fluids, floating production services, geophysical equipment and services, hydraulic fracturing, inspection and coating, land contract drilling, offshore construction services, offshore contract drilling, oil country tubular goods, petroleum aviation, production testing, rental and fishing services, rig equipment, solids control and waste management, specialty chemicals, subsea equipment, supply vessels, surface data logging, surface equipment, unit manufacturing, and well servicing, wireline logging.

6. **ADDITIONAL COVENANTS OF THE PARTIES** .

(a) Commercially Reasonable Efforts. Each Party shall use commercially reasonable efforts to timely satisfy each of the conditions to be satisfied by it as provided in Sections 8 and 9 below. No party shall intentionally perform or fail to perform any act that, if performed or omitted to be performed, would prevent or excuse the performance of this Agreement or any of the transactions contemplated hereby.

(b) Consents. Each Party will use its commercially reasonable efforts to obtain any required third-party consents to the transactions contemplated by this Agreement and the other transactions contemplated by the Closing Documents.

(c) Operation of the Company's Business . During the period commencing on the date hereof and ending upon the sooner of the date that this Agreement is terminated in accordance with the terms hereof or the date that Shareholder Approval is obtained, Victory, except (i) as otherwise expressly permitted by this Agreement or any of the Closing Documents, (ii) as required by applicable law or (iii) with the prior written consent of Armacor (which consent will not be unreasonably withheld, conditioned or delayed), will carry on its business only in the ordinary course of business in a manner consistent with past practice and not take any action or enter into any transaction that would result in the following:

(i) any change in the certificate of incorporation or bylaws of Victory or any amendment of any material term of any outstanding security of Victory;

(ii) any issuance or sale of any additional shares of, or rights of any kind to acquire any shares of, any capital stock of any class of Victory (whether through the issuance or granting of options or otherwise) except for (i) the issuance of additional shares of Victory Common Stock upon the conversion of the VPEG Note in accordance with its terms, or (ii) the issuance of additional shares of Victory Common Stock upon the exercise of options or warrants of Victory that are outstanding as of the Closing in accordance with the terms of such options or warrants;

(iii) any incurrence, guarantee or assumption by Victory or any Subsidiary of any indebtedness for borrowed money or any other liability, other than in the ordinary course of business in amounts and on terms consistent with past practice;

(iv) except in the ordinary course of business, any acquisition or disposition of any business or any material property or asset of, or equity or other interest in, any Person (whether by merger, consolidation or otherwise) by Victory;

(v) directly or indirectly pay any dividends or distributions;

(vi) materially change the nature of its business or commence any new business, except as specifically contemplated by this Agreement;

(vii) enter into any transaction with an affiliate of Victory or enter into any transaction or contract involving payments by Victory and its subsidiaries of more than $50,000 in the aggregate; or

(viii) any entry into any agreement or commitment to do any of the foregoing.

(d) Access. Each Party will permit the other Party and its representatives to have reasonable access at all reasonable times during normal business, and in a manner so as not to interfere with the normal business operations of the other Party, to the premises, properties, personnel, books, records contracts and documents of or pertaining to the other Party.

(e) Taking of Necessary Action; Further Action. Subject to the terms and conditions of this Agreement, each of the Parties will take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the transactions contemplated by this Agreement and the Closing Documents as promptly as practicable.

(f) Board of Directors of Victory. At the Closing the board of directors of Victory (the "**Board**") shall be increased to six (6) people. At or prior to the Closing, David McCall and Patrick Barry shall resign from the Board and Rick Salas, Kevin DeLeon and Julio C. Herrera shall be appointed to fill the vacancies on the Board resulting from such resignations and increase in size of the Board. Prior to the Shareholder Meeting, Victory shall increase the Board to seven (7) people. Victory shall include in the Proxy Statement a proposal for the election of directors that includes the election of four (4) of the members of the Board who will be designated by Armacor, who shall be Rick Salas, Kevin DeLeon, Julio C. Herrera and a fourth designee to be determined by Armacor at a later date. Until the next annual meeting of shareholders of Victory following the date that Shareholder Approval is obtained, the Board shall remain at seven (7) persons and Navitus Energy Group ("**Navitus**") shall have the right to appoint three (3) members to the Board, who shall initially be Dr. Ronald Zamber, Robert Grenley and Kenneth Hill.

(g) SEC Filings; Listing. Victory shall timely file all reports required to be filed with the SEC pursuant to the Exchange Act, and Victory shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would no longer require or otherwise permit such termination. Victory shall maintain

its common stock's listing or authorization for quotation (as the case may be) on the OTCQB and shall not take any action which would be reasonably expected to result in the delisting or suspension of the common stock on the OTCQB.

7. **CLOSING**.

(a) Closing. The consummation of the transactions contemplated by this Agreement and the Closing Documents (the " **Closing**") will take place by the reciprocal delivery of closing documents by electronic mail, regular mail, fax or any other means mutually agreed upon by the Parties on a date that is no later than two business days immediately following the day on which the last of the conditions to closing contained in Sections 8 and 9 (other than any conditions that by their nature are to be satisfied at the Closing) are satisfied or waived in accordance with this Agreement or at such other location or on such other date as the Parties may mutually determine (the date on which the Closing actually occurs is referred to as the "**Closing Date**").

(b) Transactions to be Effected at the Closing .

(i) At the Closing, Victory will (A) issue certificates representing the Series B Shares in the name of Armacor and (B) deliver to Armacor all other documents, instruments or certificates required to be delivered by Victory at or prior to the Closing pursuant to this Agreement. The certificates representing the Series B Shares shall contain customary securities legends referring to the restrictions on transfer applicable to the Series B Shares and the Armacor Note under federal and state securities laws.

(ii) At the Closing, Armacor will execute and deliver to Victory all documents, instruments or certificates required to be delivered by Armacor at or prior to the Closing pursuant to this Agreement.

8. **CONDITIONS TO ARMACOR' OBLIGATIONS** . The obligation of Armacor to perform its obligations hereunder is subject to the satisfaction, on or before the Closing Date, of each of the following conditions; provided, however, that these conditions are for Armacor' benefit and may be waived in writing by Armacor at any time in its sole discretion:

(a) Execution and Delivery of Documents . Victory and each other individual or entity (other than Armacor) who is required to execute the Closing Documents shall have (i) executed each of the Closing Documents to the extent required hereby or thereby and (ii) delivered such documents or signature pages thereof, together with such other items as may be required by this Agreement, to Armacor.

(b) Accuracy and Performance. The representations and warranties of Victory herein shall be true and correct in all material respects as of the date made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date and except that representations and warranties of Victory that are qualified by materiality shall be true and correct in all respects), and Victory shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Victory at or prior to the Closing Date. Armacor will have

received a certificate signed on behalf of Victory by a duly authorized officer of Victory to such effect.

(c) No Restrictions or Prohibitions. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered or issued by any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which restricts or prohibits the consummation of any of the transactions contemplated herein.

(d) Divestiture Agreement. Victory and Navitus shall have entered into a divestiture agreement in the form of **Exhibit G** (the "**Divestiture Agreement**") pursuant to which Victory will divest its 50% ownership interest in Aurora Energy Partners through the sale of such interest to Navitus; provided, however, that it is understood that the consummation of the transactions consummated by the Divestiture Agreement shall not occur until Shareholder Approval has been obtained.

(e) Conversion of VPEG Debt. All obligations of Victory to Visionary Private Equity Group I, LP (" **VPEG**") to repay indebtedness for borrowed money, which totals $873,409.64 (including all accrued, but unpaid, interest thereon), but not including the VPEG Loan (the "**VPEG Debt**"), shall have been converted into Series C Preferred Stock of Victory having the rights, privileges, and limitations set forth in Exhibit A to the VPEG Settlement Agreement (the " **Series C Preferred Stock**") pursuant to and in accordance with the settlement agreement and mutual release that will have been entered into between VPEG and Victory, which will be in the form of **Exhibit H** to this Agreement (the "**VPEG Settlement Agreement**").

(f) Conversion of McCall Debt. All obligations of Victory to David McCall and the McCall Law Firm ("**McCall**") to repay indebtedness for borrowed money, which totals $380,323 (including all accrued, but unpaid, interest thereon) (the "**McCall Debt**"), shall have been converted into Series D Preferred Stock of Victory having the rights, privileges, and limitations set forth in Exhibit A to the McCall Settlement Agreement (the "**Series D Preferred Stock**") pursuant to and in accordance with the settlement agreement and mutual release that will have been entered into between McCall and Victory, which will be in the form of **Exhibit I** to this Agreement (the " **McCall Settlement Agreement**").

(g) Conversion of Navitus Debt. All obligations of Victory to Ron Zamber and Greg Johnson, affiliates of Navitus, which is referenced on the books and records of Victory as Navitus indebtedness, to repay indebtedness for borrowed money, which totals $520,800 (including all accrued, but unpaid, interest thereon) (the "**Navitus Debt**"), shall have been converted into Series C Preferred Stock pursuant to and in accordance with the settlement agreement and mutual release that will have been entered into between Ron Zamber, Greg Johnson and Victory, which will be in the form of **Exhibit J** to this Agreement (the " **Navitus Settlement Agreement**").

(h) Conversion of Insider Debt. All obligations of Victory to Ron Zamber and Kim Rubin Hill to repay indebtedness for borrowed money, which totals $35,000 (including all accrued, but unpaid, interest thereon) (the "**Insider Debt**"), shall have been converted into Series C Preferred Stock pursuant to and in accordance with the settlement agreement and mutual release that will

have been entered into between Ron Zamber, Kim Rubin Hill and Victory, which will be in the form of **Exhibit K** to this Agreement (the "**Insider Settlement Agreement**").

(i) Agreements with Creditors. Victory shall have entered into agreements with its creditors that are reasonably satisfactory to Armacor that relate to the orderly repayment of all liabilities owed to Victory creditors.

(j) Lock Up Agreement. Armacor, and each other recipient of Victory preferred stock at the Closing shall have entered into a lock-up and resale restriction agreement in the form of **Exhibit L** (the "**Lock Up Agreement**") relating to the VYEY stock received in connection with the transactions contemplated hereby.

(k) Hill Employment Agreement. Victory and Kenneth Hill, the Chief Executive Officer of Victory, shall have entered into an amended and restated employment agreement in the form of **Exhibit M** (the "**Employment Agreement**").

(l) Due Diligence. Armacor shall have completed its business, accounting and legal due diligence review of Victory, its assets and liabilities, and the results thereof shall be reasonably satisfactory to Armacor.

9. **CONDITIONS TO VICTORY'S OBLIGATIONS.** The obligation of Victory to make the Loan is subject to the satisfaction, on or before the Closing Date, of each of the following conditions; provided, however, that these conditions are for the sole benefit of Victory and may be waived by Victory at any time in its sole discretion:

(a) Execution and Delivery of Documents. Armacor and each other individual or entity (other than Victory) who is required to execute the Closing Documents shall have (i) executed each of the Closing Documents to the extent required hereby or thereby and (ii) delivered such documents or signature pages thereof, together with such other items as may be required by this Agreement, to Victory.

(b) Accuracy and Performance. The representations and warranties of Armacor herein shall be true and correct in all material respects as of the date made and as of Closing Date as though made at that time (except for representations and warranties that speak as of a specific date and except that representations and warranties of Armacor that are qualified by materiality shall be true and correct in all respects), and Armacor shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by them at or prior to the Closing Date, including obtaining all consents and approvals required for them to enter into and consummate the Closing Documents. Victory will have received a certificate signed on behalf of Armacor by a duly authorized officer of Armacor to such effect.

(c) No Restrictions or Prohibitions. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, or issued by any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the

matters contemplated hereby which restricts or prohibits the consummation of any of the transactions contemplated herein.

(d) Divestiture Agreement. Victory and Navitus Energy Group shall have entered into the Divestiture Agreement; provided, however, that it is understood that the consummation of the transactions consummated by the Divestiture Agreement shall not occur until Shareholder Approval has been obtained.

(e) Conversion of VPEG Debt. The VPEG Debt shall have been converted into Series C Preferred Stock pursuant to the VPEG Settlement Agreement.

(f) Conversion of McCall Debt. The McCall Debt shall have been converted into Series D Preferred Stock pursuant to the McCall Settlement Agreement.

(g) Conversion of Navitus Debt. The Navitus Debt shall have been converted into Series C Preferred Stock pursuant to the Navitus Settlement Agreement.

(h) Conversion of Insider Debt. The Insider Debt shall have been converted into Series C Preferred Stock pursuant to the Insider Settlement Agreement.

(i) Lock Up Agreement. Armacor and each other recipient of Victory preferred stock at the Closing shall have entered into the Lock Up Agreement relating to the VYEY stock received in connection with the transactions contemplated hereby that is mutually agreeable to the Parties and contains a leak out provision permitting the parties thereto to sell up to 5% of the Victory stock received in connection with the transactions contemplated hereby and by the Closing Documents per month beginning upon the date that Shareholder Approval is obtained.

(j) Hill Employment Agreement. Victory and Kenneth Hill, the Chief Executive Officer of Victory, shall have entered into the Employment Agreement.

(k) Non-Competition Agreements. Victory, Armacor and Armacor's corporate affiliates, including LM Group Holdings, LLC and its subsidiaries, if any, will enter into non-competition and non-solicitation agreements in the form of **Exhibit N** (the "**Non-Competition Agreements**") that restrict Armacor and its corporate affiliates from engaging in the Oilfield Services Business during the term of the License, except through Victory.

(l) Due Diligence. Victory shall have completed its business, accounting and legal due diligence review of Armacor and the technology to be licensed under the License, its assets and liabilities, and the results thereof shall be reasonably satisfactory to Victory.

10. **GOVERNING LAW; MISCELLANEOUS**.

(a) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Texas without regard to the principles of conflict of laws. The Parties hereby consent to the nonexclusive jurisdiction of any state or federal court situated in Travis county, Texas, and waive any objection based on forum non conveniens, with regard to any actions, claims, disputes or proceedings relating to this Agreement or any transactions arising herefrom, or

enforcement and/or interpretation of any of the foregoing. Nothing herein will affect a Party's right to serve process in any manner permitted by law, or limit a Party's right to bring proceedings against another Party in the competent courts of any other jurisdiction or jurisdictions.

(b) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(c) Headings; Interpretation. The headings of this Agreement are for convenience of reference and shall not form a part of, or affect the interpretation of, this Agreement. As used herein, unless the context clearly requires otherwise, the words "herein," "hereunder" and "hereby" shall refer to the entire Agreement and not only to the Section or paragraph in which such word appears. If any date specified herein falls upon a Saturday, Sunday or legal holiday in the state of Texas, the date shall be construed to mean the next business day following such Saturday, Sunday or legal holiday. For purposes of this Agreement, a "business day" is any day other than a Saturday, Sunday or legal holiday in the state of Texas. Each Party intends that this Agreement be deemed and construed to have been jointly prepared by the parties. As a result, the parties agree that any uncertainty or ambiguity existing herein shall not be interpreted against any of them.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement; Amendments . This Agreement and the documents referenced herein (which are incorporated herein by reference) contain the entire understanding of the Parties with respect to the matters covered herein and supersede all prior agreements, negotiations and understandings, written or oral, with respect to such subject matter. Except as specifically set forth herein, none of the Parties makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement shall be waived or amended other than by an instrument in writing signed by each of the Parties hereto. No delay or omission of any party hereto in exercising any right or remedy hereunder shall constitute a waiver of such right or remedy, and no waiver as to any obligation shall operate as a continuing waiver or as a waiver of any subsequent breach.

(f) Notices. Any notices required or permitted to be given under the terms of this Agreement shall be in writing and sent by U. S. Mail or delivered personally or by overnight courier or via facsimile or e-mail (if via facsimile or e-mail, to be followed within one (1) business day by an original of the notice document via overnight courier) and shall be effective (i) five (5) business days after being placed in the mail, if sent by registered mail, return receipt requested, (ii) upon receipt, if delivered personally, (iii) upon delivery by facsimile or e-mail (if received between 8:00 a.m. and 5:00 p.m. CT; otherwise delivery shall be considered effective the following business day) or (iv) one (1) business day after delivery to a courier service for overnight delivery, in each case

properly addressed to the party to receive the same. The addresses for such communications shall be as specified on the signature page hereto. Each party shall provide written notice to the other parties of any change in address.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns; provided, however, that no Party may assign its rights hereunder or delegate its duties hereunder without the prior written consent of the other Parties hereto.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other individual or entity; provided, however, that Navitus is an intended third party beneficiary of the rights provided to it in Section 6(f) of this Agreement.

(i) Survival. The representations, warranties and agreements of the Parties shall survive the Closing for a period of eighteen (18) months.

(j) Remedies. No provision of this Agreement providing for any specific remedy to a Party shall be construed to limit such Party to that specific remedy, and any other remedy that would otherwise be available to such Party at law or in equity shall also be available. The Parties also intend that the rights and remedies hereunder be cumulative, so that exercise of any one or more of such rights or remedies shall not preclude the later or concurrent exercise of any other rights or remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Parties will be entitled to specific performance under this Agreement. The Parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

(k) Expenses. Except as otherwise provided in this Agreement, whether or not the transactions contemplated hereby and by the Closing Documents are consummated, all expenses incurred in connection with this Agreement, the Closing Documents and the transactions contemplated hereby and thereby will be paid by the party incurring such expenses. As used in this Agreement, “expenses” means the out-of-pocket fees and expenses of the financial advisor, counsel and accountants incurred in connection with this Agreement, the Closing Documents and the transactions contemplated hereby and thereby.

(l) Attorney’s Fees. If any Party to this Agreement shall bring any action for relief against another arising out of or in connection with this Agreement, in addition to all other remedies to which the prevailing Party may be entitled, the losing Party shall be required to pay to the prevailing Party a reasonable sum for attorney’s fees and costs incurred in bringing or defending such action and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney’s fees and costs incurred in enforcing such judgment.

For the purposes of this Section, attorney's fees shall include, without limitation, fees incurred with respect to the following: (i) post-judgment motions, (ii) contempt proceedings, (iii) garnishment, levy and debtor and third party examinations, (iv) discovery, (v) bankruptcy litigation and (vi) any appellate proceedings.

(m) Waiver of Jury Trial. **THE PARTIES EACH WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.**

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date and year first written above.

ARMACOR:

ARMACOR VICTORY VENTURES, LLC

By: /s/ Risk Salas
Name: Rick Salas
Title: President

Address:

Fax:
Email:

VICTORY:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address:

Fax:
Email:

EXCLUSIVE SUBLICENSE AGREEMENT

THIS EXCLUSIVE SUBLICENSE AGREEMENT (this "Agreement") is made and entered into as of the 21st day of August, 2017 (the "Effective Date"), by and between **ARMACOR VICTORY VENTURES, LLC,** a Delaware limited liability company having its principal place of business at 20505 Crescent Bay Drive, Lake Forest, CA 92630 ("Licensor"), and **VICTORY ENERGY CORPORATION**, a Nevada corporation having its principal place of business at 3355 Bees Cave Road, Suite 608, Austin, TX 78746 ("Licensee").

RECITALS:

A. As set forth in an Exclusive License Agreement, dated August 21, 2017, between Licensor and Liquidmetal Coatings Enterprises, LLC ("LMCE"), a Delaware limited liability company (the "LMCE License Agreement"), Licensor is a licensee and sublicensee of certain patents, technical information, and other Intellectual Property rights pertaining to the composition, processing, properties, and application of Amorphous Alloy Coatings.

B. Licensee is a company operating in the oil & gas industry that desires to sublicense from Licensor certain patents, technical information, and other Intellectual Property rights in the oil and gas industry upon and subject to the terms set forth herein.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements set forth herein, Licensor and Licensee agree as follows:

Article 1
DEFINITIONS

For purposes of this Agreement and except as otherwise specifically set forth herein, the following capitalized terms shall have the following meanings:

1.1. **"Amorphous Alloy Coatings"** means coating materials which contain any one or more amorphous alloys or metallic glasses (or composite materials containing amorphous alloys or metallic glasses). The term "Amorphous Alloy Coatings" includes, but is not limited to, any Liquidmetal® coating materials and any amorphous alloys, metallic glasses, or composite coating materials that may be developed or conceived under this Agreement.

1.2. **"Confidential Information"** shall mean any and all commercial, technical, financial, proprietary, and other information relating to the Discloser, its affiliates, and their respective business operations, including, but not limited to, samples, data, technical information, know-how, formulas, ideas, inventions, discoveries, Patents, Patent applications, Intellectual Property, product development plans, demonstrations, business and financial information, applications and designs, and all manifestations or embodiments relating to the foregoing and all improvements made thereto, in whatever form provided, whether oral, written, visual, machine-readable, electronic, or otherwise. For purposes of this Agreement, Licensor's Confidential Information shall include, but not be limited to, the Licensed Patents, Licensed Technical Information, and any and all information relating to the composition, processing, properties, and applications of Liquidmetal® coating materials. "Confidential Information" also includes any information described above which the Discloser obtains from a third party and which the Discloser treats as proprietary or designates as confidential, whether or not owned or developed by the Discloser.

1.3. "**Crucible**" means Crucible Intellectual Property, LLC, a Delaware limited liability company and wholly owned subsidiary of Liquidmetal Technologies, Inc., a Delaware corporation.

1.4. **"Crucible Licensed Patents"** shall mean the Patents listed on Exhibit A hereto, which Patents are licensed by Crucible to LMCE pursuant to the Master License Agreement and then sublicensed by LMCE to Licensor pursuant to the LMCE License Agreement.

1.5. **"Discloser"** shall mean the party that is disclosing Confidential Information under this Agreement, regardless of whether such Confidential Information is being provided directly by such party, by a Representative of the party, or by any other person that has an obligation of confidentiality with respect to the Confidential Information being disclosed.

1.6. **"Field"** shall mean and refer to applications in the worldwide petroleum exploration and production industry, but the term "Field" shall exclude sales of Licensed Products and Services to Vallourec.

1.7. **"Improvements"** means all discoveries and/or inventions (whether patented or not) that constitute a modification or derivative of any Licensed Patent or Licensed Technical Information.

1.8. **"Intellectual Property"** means any and all inventions (whether or not protected or protectable under patent laws), works of authorship, information fixed in any tangible medium of expression (whether or not protected or protectable under copyright laws), moral rights, trade secrets, developments, designs, applications, processes, know-how, discoveries, ideas (whether or not protected or protectable under trade secret laws), and all other subject matter protected or protectable under patent, copyright, moral right, trade secret, or other laws, including, without limitation, all new or useful art, combinations, formulae, manufacturing techniques, technical developments, applications, data, and research results.

1.9. **"Licensed Patents"** means the Crucible Licensed Patents and LMCE Owned Patents, and all Patents issuing from later filed divisionals, reissues, reexaminations, continuations, continuations-in-part, renewals, extensions, substitutions, and foreign equivalents and counterparts thereof; any future Improvements to the Licensed Patents; and any future Patents of Licensor which relate to the production of Licensed Products and Services within the Field, as reasonably determined by Licensor.

1.10. **"Licensed Products and Services"** means any and all products and services in the Field, the manufacture, use, offer for sale, sale, or importation of which would, but for this Agreement, infringe a Valid Claim in a jurisdiction where such Valid Claim exists. The Licensed Products and Services include, but are not limited to, the following services and any associated products or services to the extent offered or sold in the Field: artificial lift, casing and tubing services, coiled tubing services, completion equipment and services, contract compression services, directional drilling services, downhole drilling tools, drill bits, drilling and completion fluids, floating production services, geophysical equipment and services, hydraulic fracturing, inspection and coating, land contract drilling, offshore construction services, offshore contract drilling, oil country tubular goods, petroleum aviation, production testing, rental and fishing services, rig equipment, solids control and waste management, specialty chemicals, subsea equipment, supply vessels, surface data logging, surface equipment, unit manufacturing, and well servicing, wireline logging.

1.11. **"Licensed Technical Information"** means unpublished research and development information, unpatented inventions, know-how, formulations, trade secrets, and technical data now or hereafter in the possession of Licensor or obtainable by Licensor from LMCE or its subsidiaries that are reasonably necessary or useful for using the Licensed Patents to produce Licensed Products within the Field, provided Licensor has the right to disclose such items to Licensee.

1.12. **"Licensee Affiliate"** means any corporation, limited liability company or other legal entity which directly or indirectly controls, is controlled by, or is under common control with Licensee or its successors or assigns, or any successor or assign of such an entity. For the purposes of this Agreement, "control" shall mean the direct or indirect ownership of more than fifty percent (50%) of the outstanding shares on a fully diluted basis or other voting rights of the subject entity to elect directors or managers, or

the right to direct or cause the direction of the management and policies of the subject entity whether by contract or otherwise, or if not meeting the preceding, any entity owned or controlled by, or owning or controlling, the subject entity at the maximum control or ownership right permitted in the country where such entity exists; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

1.13. **"LMCE Owned Patents"** shall mean those Patents directly owned by LMCE and listed on Exhibit B hereto.

1.14. "**Master License Agreement**" means that certain Exclusive License Agreement, dated August 5, 2010, between Crucible and LMCE (as assignee of Liquidmetal Coatings, LLC).

1.15. "**Materials**" shall mean metal powders and wire comprised wholly or partially of Amorphous Alloy Coatings.

1.16. "**MSRP**" shall mean Licensor's suggested retail price for the Materials, which shall not be more than the amount comparable competing materials would be sold to end users in the petroleum exploration and production industry by third-party suppliers or applicators. If Licensee disagrees with Licensor's determination of MSRP, Licensee may ask for arbitration on what is a reasonable MSRP on one or more Materials.

1.17. **"New Amorphous Alloy Technology "** shall have the meaning ascribed to it in Article 7 (Intellectual Property) hereof.

1.1. **"Patents"** means any and all letters patent (including, but not limited to, patents of implementation, improvement, or addition, utility model and appearance design patents, and inventors certificates, as well as all divisionals, reissues, reexaminations, continuations, continuations-in-part, renewals, extensions, substitutions, foreign equivalents and counterparts, and any other forms of patent protection directed to the inventions covered by any of the foregoing), applications for letters patent (including, but not limited to, all foreign counterpart patent applications), and letters patent that may issue on such applications.

1.2. **"Recipient"** shall mean the party receiving Confidential Information that is protected under this Agreement, regardless of whether such Confidential Information is being provided directly by the Discloser, by a Representative of the Discloser, or by any other person that has an obligation of confidentiality with respect to the Confidential Information being disclosed

1.3. **"Representatives"** shall mean the respective directors, officers, employees, financial advisors, accountants, attorneys, agents, and consultants of a party.

1.4. "**Valid Claim**" means, on a country-by-country basis, a claim of an unexpired issued or granted Licensed Patent, as long as the claim has not been admitted by Licensor or otherwise caused to be invalid or unenforceable through reissue, disclaimer, or otherwise, or held invalid or unenforceable by a tribunal or governmental agency of competent jurisdiction from whose judgment no appeal is allowed or timely taken.

1.5. "**Vallourec**" means Vallourec, a French company, with its registered office as of the date hereof at 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt, France, and its affiliates.

ARTICLE 2
LICENSE GRANT

2.1. **Patent License**. Licensor hereby grants to Licensee an exclusive, worldwide, non-royalty bearing, limited, non-transferable sublicense, under the Licensed Patents to make, use, offer to sell, sell, export and import Licensed Products within the Field; provided, however, that such sublicense shall expressly

exclude the right to make or manufacture, or have made or manufactured, any Materials (the "Manufacturing Exclusion"). Licensee may sublicense the Licensed Patents in the Field with the prior written consent of Licensor, which shall not be unreasonably withheld. If Licensee explicitly requests in writing the right to sublicense the Licensed Patents pursuant to the preceding sentence and the Licensor does not respond for sixty (60) days or more, then Licensor shall be deemed to have consented to such sublicense.

2.2. **Technical Information License**. Licensor hereby grants to Licensee an exclusive, non-royalty-bearing, limited, non-transferable sublicense, under the Licensed Technical Information to make, use, offer to sell, sell, export and import Licensed Products within the Field; provided, however, that such sublicense shall be subject to the Manufacturing Exclusion. Licensee may sublicense the Licensed Technical Information in the Field with the prior written consent of Licensor, which shall not be unreasonably withheld. If Licensee explicitly requests in writing the right to sublicense the Licensed Technical Information pursuant to the preceding sentence and the Licensor does not respond for sixty (60) days or more, then Licensor shall be deemed to have consented to such sublicense.

2.3. **Reservation of Rights**. The license is subject to: (a) the reservation of Licensor's right to make, have made, import and use Licensed Products and Services for research and development purposes, but not for commercial sale or other commercial distribution to third parties; (b) the reservation of Licensor's right to make, have made, import and use Licensed Products and Services for sale or distribution to Vallourec; and (C) the reservation of Licensor's right to grant limited licenses to non-profit institutions for educational and research purposes, but not for commercial sale or other commercial distribution to third parties. All rights not specifically granted to Licensee by this Agreement are expressly reserved by Licensor.

2.4. **Master License Agreement**. Notwithstanding anything to the contrary herein, the licenses and rights granted herein shall be subject to all limitations and restrictions set forth in the Master License Agreement, including without limitation the exclusion of Consumer Electronic Products (as defined in the Master License Agreement) from the Field.

2.5. **Termination of Manufacturing Exclusion**. Licensee shall have the right to terminate the Manufacturing Exclusion with respect to a particular Material upon written notice to Licensor if either of the following conditions occur as to such Material: (i) the Material cannot be supplied by LMCE or Licensor for a period of six months or more, and following written notice of the same by Licensee to Licensor, neither LMCE nor Licensor can supply (or have supplied) the Material within thirty (30) days after such written notice, or (ii) the Material cannot be supplied by LMC or Licensor at a price that is at least Five Percent (5%) below the MSRP for such Material.

ARTICLE 3
MATERIAL PURCHASES

3.1. **Coating Materials**. LMCE will supply ARMACOR™ and Liquidmetal® branded Materials to Licensee pursuant to a mutually agreeable supply agreement.

ARTICLE 4
REPORTS AND INSPECTION

4.1. **Reports**. Licensee shall keep accurate and sufficient records to measure commercial activity under this Agreement. Records under this Agreement shall be maintained by Licensee for a period of five (5) years.

4.2. **Inspection**. Such records of Licensee shall be subject to inspection by Licensor (or its representatives) during regular business hours of Licensee with at least five (5) business days' notice. Licensor shall bear the expenses of the inspection. Licensor shall be limited to four (4) such inspections per year,

provided that no such limitation shall apply at any time while Licensee is adjudged to (or is mutually agreed to be) in breach in of this Agreement.

ARTICLE 5
LICENSOR REPRESENTATIONS, WARRANTIES, LIABILITIES AND INDEMNIFICATION

5.1. **Representations and Warranties**. Licensor represents and warrants to Licensee that:

(a) Licensor has the full right, power and authority (corporate or otherwise) to grant the sublicenses set forth herein.

(b) There is no outstanding contract, commitment or arrangement to which Licensor is a party, and no pending or threatened claim or litigation by or against Licensor, which is or may be in conflict with this Agreement or which may in any way limit, restrict, impair or interfere with Licensor's ability to perform under this Agreement.

(c) The Licensed Patents are not subject to any lien, claim, security interest or other encumbrance other than a security interest in favor of Enterprise Bank & Trust to secure a credit facility of LMCE. It is acknowledged that LMCE may in the future refinance such credit facility or enter into one or more additional credit facilities pursuant to which the Licensed Patents may serve as collateral.

(d) To Licensor's knowledge, no prior art or other information exists that would adversely affect the validity, enforceability, term, or scope of any Licensed Patent.

(e) There is no settled, pending, or to Licensor's knowledge threatened, litigation or reissue application, re-examination, post-grant, *inter partes*, or covered business method **patent** review, interference, derivation, opposition, claim of invalidity, or other claim or proceeding (including in the form of any offer to obtain a license) (i) alleging the unpatentability, invalidity, misuse, unregisterability, unenforceability, or noninfringement of, or error in any Licensed Patent, or (ii) challenging Licensor's ownership of, or right to practice or license, any Licensed Patent, or alleging any adverse right, title, or interest with respect thereto.

5.2. **Disclaimer of Warranties**. THE WARRANTIES CONTAINED IN THIS ARTICLE ARE THE ONLY WARRANTIES MADE BY LICENSOR. LICENSOR EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR ARISING OUT OF CUSTOM OR TRADE USAGE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY LICENSOR OR LICENSOR'S AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR REPRESENTATION OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES CONTAINED IN THIS ARTICLE. THIS SECTION SHALL BE ENFORCEABLE TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

5.3. **Patent Maintenance and Support**. Licensor agrees to pay for all maintenance, legal, and support costs associated with keeping all issued non-provisional Licensed Patents in effect and good standing to the extent that LMCE fails to pay such costs; provided, however, that if LMCE and Licensor determine that they no longer desire to fund the maintenance, legal, and support costs of a particular Licensed Patent, they may discontinue such funding upon no less than 90 days' prior written notice to Licensee, in which case Licensee may elect to fund such amounts.

ARTICLE 6
LICENSEE WARRANTIES AND INDEMNIFICATION

6.1. **Representations and Warranties**.

(a) **Permits**. Licensee represents and warrants that it has obtained any and all governmental permits, licenses, or other approvals required for the performance of its obligations and the enjoyment of its rights under this Agreement.

(b) **Safety**. Licensee represents and warrants that Licensee has, either in-house or at its disposal, the expertise necessary to use the Licensed Patents and Licensed Technical Information in a safe and effective manner. Licensee acknowledges that (1) Licensor has no control over, or responsibility for, the manner in which Licensee utilizes the Licensed Patents and Licensed Technical Information, and (2) Licensee utilizes the Licensed Patents and Licensed Technical Information at its own risk.

(c) **No Prohibited Claims**. Licensee represents and warrants that Licensee shall not claim against any Licensor officer, director, employee, agent, or affiliate any of the claims for damages referenced in Section 5 hereof.

6.2. **Indemnity**. Licensee agrees to indemnify and hold Licensor, its officers, directors, employees, agents, representatives, successors and assigns harmless from and against all losses, damages or expenses of whatever form or nature, including attorneys' fees and other costs of legal defense, whether direct or indirect, which they, or any of them, sustain or incur as a result of (a) the breach of or failure to perform any obligation, provision or condition of Licensee contained in any of the provisions of this Agreement; (b) violation by Licensee (or any of its directors, officers, managers, affiliates, employees, representatives, or agents) of any applicable law, regulation or order; or (c) any misappropriation or misuse by Licensee of any Licensed Patents, Licensed Technical Information, or Confidential Information of Licensor.

ARTICLE 7
POSTURE AS TO THIRD PARTIES

7.1. **Regulatory Approvals**. Licensor and Licensee agree to cooperate, at the expense of Licensee, in respect to the obtaining or maintaining of any registrations or approvals for Licensed Products and Services, including, but not limited to United States consumer product safety commission and or export control approvals for the Licensed Products and Services.

7.2. **Notification of Infringement**. Licensee and Licensor shall promptly notify the other in writing of any suspected infringement or suspected violation of the right, title, or interest of either of them in or to this Agreement or any related right, when such suspected infringement or suspected violation comes to the attention of the party so discovering same. In no event, however, shall any such notification be construed as an admission by the notifying party of the presence of an actual infringement or actual violation.

7.3. **Third-Party Infringement**. As to all third party activity which may fairly be called a substantial and continuing infringement of the Licensed Patents in the Field or other rights licensed by this Agreement, or any related right, Licensor shall (or cause LMCE to) have the first right to institute and diligently prosecute, at its own sole cost and expense, all proper legal proceedings reasonably necessary to permanently terminate such infringement. Thus, Licensor shall have the initial opportunity to seek to prevent infringement and to file suit to stop any infringement which in its opinion warrants such suit. Licensor may nonetheless make reasonable attempts at settling any such litigation out of court. All such settlements must be approved by Licensee, which approval shall not be unreasonably withheld.

7.4. **Actions Against Third-Parties**. If Licensor does not institute suit within forty-five (45) days after it becomes aware of suspected infringement or suspected violation as aforesaid, or if Licensor fails to diligently prosecute any such suit once instituted, Licensee shall then have the right (at its own expense) to institute, or continue, suit against the alleged wrong-doing party, and may join Licensor as a party plaintiff if need be.

7.5. **Awards of Damages**. As to all judgments or awards rendered in favor of Licensee and/or Licensor in any such proceedings, the parties shall share in same in proportion to their relative expenditures for instituting and maintaining the legal proceeding in question.

ARTICLE 8
INTELLECTUAL PROPERTY

8.1. **Licensee Inventions and Improvements**. In the course of practicing the Licensed Patents and Licensed Technical Information pursuant to licenses granted by this Agreement, Licensee may develop or assist in the development of new Amorphous Alloys Coatings and/or new Intellectual Property relating to the composition, processing, properties, or applications of Amorphous Alloys Coatings, including, but not limited to, Improvements to the Licensed Patents (collectively, the "New Amorphous Alloy Coating Technology"). Licensee agrees that all such New Amorphous Alloy Coating Technology shall be owned solely and exclusively by LMCE. Upon the conception or development of any New Amorphous Alloy Coating Technology by Licensee, whether alone or in conjunction with others, Licensee shall provide written notification to LMCE describing in sufficient detail the nature of the New Amorphous Alloy Coating Technology. Upon their disclosure to Licensor, items of New Amorphous Alloy Coating Technology shall become part of the Licensed Patents and/or Licensed Technical Information hereunder the LMCE License Agreement and this Agreement.

8.2. **Assignment**. Title to any and all New Amorphous Alloy Coating Technology shall vest solely and exclusively in LMCE, regardless of inventorship. Licensee hereby assigns to LMCE, and will cause its employees, contractors, representatives, successors, assigns, affiliates, parents, subsidiaries, officers and directors to assign to LMCE, all right, title and interest in and to any New Amorphous Alloy Coating Technology in which Licensee or any of them acquire rights. Licensee agrees to cooperate and cause its employees and contractors to cooperate in the preparation and prosecution of Patent applications relating to LMCE's Intellectual Property, including any New Amorphous Alloy Coating Technology. Licensee agrees to cooperate with any written confidentiality or other protocols that Licensor or LMCE may from time to time implement in writing in order to maintain the patentability or secrecy (as determined by Licensor or LMCE) of any New Amorphous Alloy Coating Technology.

ARTICLE 9
TERM AND TERMINATION

9.1. **Term**. This Agreement shall be in effect from the Effective Date and shall continue into perpetuity.

9.2. **Termination**. Notwithstanding any other provision contained herein, this Agreement may be terminated as follows:

(a) **Material Breach**. This Agreement shall terminate on the thirtieth (30th) day after either party gives the other party written notice of a material breach by the other party of any term or condition of this Agreement, unless the breach is cured before that day. The right of a party to terminate this Agreement shall be in addition to and not in lieu of any other right or remedy that the terminating party may have at law or in equity.

(b) **Bankruptcy**. This Agreement may be terminated immediately by a party in the event the other party becomes insolvent, files or has filed against it a petition under any chapter of the United States Bankruptcy Code (or any similar petition under the insolvency law of an applicable jurisdiction) and such petition is not dismissed within thirty (30) days, proposes any dissolution, liquidation, financial reorganization, or re-capitalization with creditors, or makes an assignment or trust mortgage for the benefit of creditors, or if a receiver, trustee, custodian, or similar agent is appointed or takes possession of any property or business of such other party.

(c) **Discontinuation of Offer and Sale of Licensed Products and Services** Licensor may terminate this Agreement upon written notice to Licensee in the event that Licensee ceases to engage in the

offer and sale of Licensed Products and Services and if Licensee fails to resume the sale of Licensed Products and Services within ninety (90) days of written notice from Licensor of intent to terminate this Agreement pursuant to this paragraph.

9.3. **Effect of Termination**.

(a) **Licensee's Rights Upon Termination**. Upon termination of this Agreement, the licenses and all other rights granted to Licensee under this Agreement shall immediately terminate.

(b) **Return of Confidential Materials**. Within fifteen (15) days after termination of this Agreement, Licensee shall return to Licensor all Licensed Technical Information and other Confidential Information of Licensor then in its possession, custody or control or, at Licensee's option destroy such Licensed Technical Information and other Confidential Information of Licensor and certify in writing to Licensor of such destruction.

(c) **Continuation of Obligations**. After termination of this Agreement, the provisions of this Agreement concerning the parties' obligations and responsibilities under Article 10 (Confidentiality) shall continue in full force and effect for an additional period of ten (10) years, and indefinitely for trade secrets.

(d) **No Damages for Termination; No Effect on Other Rights and Remedies**. Neither party shall be liable for damages of any kind as a result of properly exercising its respective right to terminate this Agreement according to the terms and conditions of this Agreement, and termination will not affect any other right or remedy of either party.

ARTICLE 10
CONFIDENTIALITY

10.1. **Terms of Agreement**. Each party agrees not to disclose any terms of this Agreement to any third party without the consent of the other party; provided, however, that disclosures may be made as required by securities or other applicable laws; or by either party to its accountants, attorneys, and other professional advisors. Neither party shall release any publicity or information concerning this Agreement without the other party's prior written approval, which shall not be unreasonably withheld or delayed, provided that the parties agree to issue a jointly-written press release following the execution of this Agreement.

10.2. Restrictions on Disclosure and Use.

(a) **Restrictions and Covenants**. Except as otherwise provided herein, each party agrees that, in its capacity as the Recipient of Confidential Information, it will (i) hold the Discloser's Confidential Information in strict confidence, use a high degree of care in safeguarding the Discloser's Confidential Information, and take all precautions necessary to protect the Discloser's Confidential Information including, at a minimum, all precautions the Recipient normally employs with respect to its own Confidential Information, (ii) not divulge any of the Discloser's Confidential Information or any information derived therefrom (including results of tests on material samples) to any other person (except as set forth in Section 10.2(b) (Disclosure to Representatives) hereof), (iii) not make any use whatsoever at any time of the Discloser's Confidential Information except as is necessary in the performance of Recipient's specific duties under this Agreement, (iv) not copy, reverse engineer, alter, modify, break down, melt down, disassemble or transmit any of the Discloser's Confidential Information, (v) not, within the meaning of United States or other export control laws or regulations, export or re-export, directly or indirectly, including but not limited to export on the Internet or other network service, any of the Discloser's Confidential Information, (vi) notify the Discloser in writing immediately upon discovery by the Recipient or its Representatives of any unauthorized use or disclosure of the Discloser's Confidential Information, and (vii)

upon the termination or expiration of this Agreement, immediately return to the Discloser or destroy (at the option of the Recipient) all such Confidential Information, including all originals, copies and extracts.

(b) **Disclosure to Representatives**. The Recipient may only disseminate the Discloser's Confidential Information to its Representatives who have been informed of the Recipient's obligations under this Agreement and are bound by an obligation of confidentiality and non-use with respect to the Discloser's Confidential Information at least as broad in scope as the Recipient's obligations under this Agreement. The Recipient agrees to reasonably restrict disclosure of the Discloser's Confidential Information to the smallest number of the Recipient's Representatives which have a need to know the Confidential Information. The Recipient shall be responsible for enforcing this Agreement as to the Recipient's Representatives and shall take such action (legal or otherwise) to the extent necessary to cause them to comply with this Agreement.

(c) **Trade Secrets**. Any trade secrets of the Discloser will also be entitled to all of the protections and benefits of applicable trade secret law, and the Recipient agrees to be bound by all applicable trade secret laws, unfair competition laws, and any other similar laws with respect to the Discloser's Confidential Information. If any Confidential Information that the Discloser deems to be a trade secret is found by a court of competent jurisdiction not be a trade secret under applicable law, such Confidential Information will nevertheless still be protected by this Agreement.

(d) **Protection of Licensed Technical Information by Licensee**. Licensee acknowledges and agrees that the Licensed Technical Information derives economic value from not being generally known to other persons who can obtain economic value from its disclosure or use. Therefore, without the express written consent of Licensor, Licensee covenants and agrees that it, its employees, contractors, representatives, successors, assigns, affiliates, parents, subsidiaries, officers, directors, and the like will (1) hold the Licensed Technical Information in strict confidence, use a high degree of care in safeguarding the Licensed Technical Information, and take all precautions reasonably necessary to protect the Licensed Technical Information including, without limitation, all precautions Licensee normally takes with respect to its own most sensitive and confidential information, (2) not divulge any of the Licensed Technical Information or any information derived therefrom to any person other than Licensor, (3) not make any use whatsoever at any time of the Licensed Technical Information except in furtherance of Licensee's obligations to Licensor and as necessary to produce Licensed Products in accordance with the license granted under this Agreement, (4) not, within the meaning of United States or other export control laws or regulations, export or re-export, directly or indirectly, including but not limited to export on the Internet or other network service, any of the Licensed Technical Information, and (5) notify Licensor in writing immediately upon discovery of any unauthorized use or disclosure of the Licensed Technical Information by Licensee or its employees or any third party.

(e) **Enforcement**. Licensee acknowledges and agrees that due to the unique nature of the Licensed Technical Information and other Confidential Information of Licensor, there can be no adequate remedy at law for any breach of its obligations hereunder, which breach may result in irreparable harm to Licensor, and therefore, that upon any such breach or any threat thereof, Licensor shall be entitled to appropriate equitable relief, including injunction, without the requirement of posting a bond, in addition to whatever remedies it might have at law.

(f) **Exceptions**. The restrictions on the Recipient's disclosure and use of the Discloser's Confidential Information under this Section 10.2 will not apply to the extent of any Confidential Information:

(i) that becomes publicly known without breach of the Recipient's or its Representatives' obligations under this Agreement;

(ii) that is rightfully acquired by Recipient from a third party which is not subject to any restriction or obligation (whether contractual, fiduciary, or otherwise) on disclosure or use of such Confidential Information;

(iii) that is independently developed by employees of the Recipient without knowledge of or reference to such Confidential Information, as evidenced by written documentation or other tangible evidence of Recipient;

(iv) that is required to be disclosed by law or by court order or government order, provided that the Recipient (a) promptly notifies the Discloser of any such disclosure requirement so that the Discloser may seek an appropriate protective order (or other appropriate protections), and (b) provides reasonable assistance (at no cost to the Recipient) in obtaining such protective order or other form of protection; or

(v) as to which and to the extent to which the Recipient has received express written consent from an authorized officer of the Discloser to disclose or use.

A specific item of Confidential Information shall not be deemed to fall within the foregoing exceptions merely because such specific item is embraced or implied by more general Confidential Information that falls within the foregoing exceptions. Additionally, the Recipient will have the burden of proof respecting any of the aforementioned events on which the Recipient may rely as relieving it from the restrictions on disclosure or use of Confidential Information, and the removal of restrictions will be effective only from and after the date of occurrence of the applicable event referred to above.

10.3. **Third Party Information**. Each party represents and warrants to the other that it is free to divulge, without any obligation to or violation of the rights of any third party, any and all information which it will demonstrate, divulge, or in any other manner make known to the other pursuant to this Agreement. Each party shall indemnify and hold harmless the other from and against any and all liability, loss, cost, expense, damage, claim or demand for actual violation of the rights of any third party in any trade secret, proprietary know-how, or other confidential information by reason of the other party's receipt of information disclosed hereunder. The foregoing provision shall not be construed to affect or diminish the obligations of confidentiality and non-disclosure of the parties as provided in this Article 10 (Confidentiality).

ARTICLE 11
MISCELLANEOUS

11.1. **Force Majeure**. Excluding payment obligations, neither party shall be liable for, nor shall it be considered in breach of this Agreement due to, any failure to perform its obligations under this Agreement as a result of a cause beyond its control, including any act of God or public enemy, act of any military, civil or regulatory authority, terrorism or threat thereof, change in any law or regulation, fire, flood, earthquake, storm or other like event, disruption or outage of communications, power or other utility, labor problem, unavailability of supplies, or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the party with reasonable care.

11.2. **Notices**. All notice, requests, demands and other communications hereunder shall be in English and shall be given in writing and shall be: (i) personally delivered; (ii) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents with confirmation of receipt; or (iii) sent to the parties at their respective addresses indicated herein by registered or certified mail, return receipt requested and postage prepaid, or by private overnight mail courier services with confirmation of receipt. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to Licensee:

Victory Energy Corporation
3355 Bees Cave Road, Suite 608
Austin, TX 78746
Attention: Kenneth Hill
Phone No.: (512) 347-7300
Fax No.: (866) 234-9806 |

Or to such other person or address as Licensee shall furnish to Licensor in writing.

(b) If to Licensor:

Armacor Holdings, LLC
20505 Crescent Bay Drive
Lake Forest, CA 92630
Attention: Ricardo A. Salas
Phone No.: (949) 842-9977
Fax No.: (949) 315-3096

Or to such other person or address as Licensor shall furnish to Licensee in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt by the "attention" addressees or persons authorized to accept for such addressees; if transmitted by facsimile or other electronic means pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt by the "attention" addressees or persons authorized to accept for such addressees; and if sent by mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this paragraph.

11.3. **Independent Contractors**. In the performance of this Agreement, Licensor and Licensee are independent contractors. Neither party nor any of its employees or agents shall be considered an employee or agent of the other party. Nor shall any partnership, co-venture or joint-employer relationship be created or implied by virtue of this Agreement or of its performance. The parties intend that this Agreement shall not create a partnership for tax purposes.

11.4. **Survival**. Articles 5, 8, and 10, and any other provisions which by their express or implicit terms are intended to survive the expiration or termination of this Agreement, shall survive the expiration or termination of this Agreement and be enforceable in accordance with their terms.

11.5. **Severability**. Each provision contained in this Agreement is declared to constitute a separate and distinct covenant and provision and to be severable from all other separate, distinct covenants and provisions. It is agreed that should any clause, condition or term, or any part thereof, contained in this Agreement be unenforceable or prohibited by law or by any present or future legislation then such clause, condition, term or part thereof, shall be amended, and is hereby amended, so as to be in compliance with the said legislation or law but, if such clause, condition or term, or part thereof, cannot be amended so as to be

in compliance with the said legislation or law, then such clause, condition, term or part thereof is severable from this Agreement, and all the rest of the clauses, terms and conditions or parts thereof contained in this Agreement shall remain unimpaired and continue in full force and effect.

11.6. **Amendment**. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

11.7. **Waiver**. No waiver of a breach of any provision of this Agreement shall be deemed to be, or shall constitute, a waiver of a breach of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver of such breach unless otherwise expressly provided in such waiver.

11.8. **Governing Law**. This Agreement, the legal relations between the parties, and any action, whether contractual or non-contractual, instituted by any party with respect to matters arising under or growing out of or in connection with or in respect of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas (U.S.A.), excluding any choice of law rules that may direct the application of the laws of another jurisdiction, and except that questions affecting the construction and effect of any Patent shall be determined by the law of the country in which the Patent has been granted.

11.9. **Resolution of Disputes**. The parties irrevocably agree that any legal actions or proceedings brought by or against them with respect to this Agreement shall be brought exclusively in the courts in and for Travis County, Texas, and the United States District Court for Travis County, Texas, and by execution and delivery hereof, the parties irrevocably submit to such jurisdiction and hereby irrevocably waive any and all objections which they may have with respect to venue in any of the above courts. Notwithstanding the foregoing, this paragraph shall not preclude or limit Licensor's rights to pursue actions before a foreign court or governmental agency if neither the federal courts nor the state courts have subject matter jurisdiction over the action. THE PARTIES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, PROCEEDING OR OTHER LITIGATION RESULTING FROM OR INVOLVING THE ENFORCEMENT OF THIS AGREEMENT.

11.10. **Attorneys' Fees**. In any action between the parties for relief based in whole or in part on this Agreement (or the breach thereof), the prevailing party shall be entitled to recover (in addition to any other relief awarded or granted) its reasonable costs and expenses (including attorneys' fees and expert witness fees) incurred in the proceeding.

11.11. **Export Regulations**. This Agreement is subject in all respects to the laws and regulations of the United States of America, including the Export Administration Act of 1979, as amended, and any regulations thereunder. In exercising its rights under this Agreement, Licensee agrees to comply fully with all export and re-export controls imposed on tangible and intangible property provided by Licensor by any state, country or organization of nations within those jurisdictions in which Licensee operates or does business. Without limiting the foregoing, with respect to its exportation or re-exportation of any products or data from the United States, Licensee agrees not to export or permit exportation outside of the United States without first (i) obtaining any required written permission to do so from the United States Office of Export Administration and other appropriate governmental agencies of the United States, or (ii) complying fully and strictly with all requirements of any general license exempting the exportation from the requirement for that permission. Licensee agrees that it will not ship, transmit, or otherwise distribute any products, materials, technical data, or any derivative work based on the foregoing to another country in violation of any export controls imposed by U.S. laws or regulations.

11.12. **Entire Agreement**. This Agreement sets forth the complete agreement of the parties concerning the subject matter hereof. No claimed oral agreement in respect thereto shall be considered as any part hereof. No waiver of or change in any of the terms hereof subsequent to the execution hereof

claimed to have been made by any representative of either party shall have any force or effect unless in writing, signed by duly authorized representatives of the parties.

11.13. **Recitals**. The recitals set forth in the preamble to this Agreement are true and correct and are made a part of this Agreement.

11.14. **Assignment**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party shall assign its rights or duties under this Agreement, in whole or in part, without the prior written consent of the other party.

11.15. **Headings**. The section and paragraph headings in this Agreement are for convenience only and are not intended to affect the meaning or interpretation of this Agreement.

11.16. **Contract Interpretation**. Ambiguities, inconsistencies, or conflicts in this Agreement shall not be strictly construed against the drafter of the language but will be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the parties' intentions at the time this Agreement is entered into. Where the context of this Agreement requires, singular terms shall be considered plural, and plural terms shall be considered singular.

11.17. **Counterparts**. The parties may execute this Agreement in counterparts (including by means of facsimile and electronic transmission in portable document format (PDF)). Each executed counterpart of this Agreement will constitute an original document, and all of them, together, will constitute the same agreement.

11.18. **Rights of LMCE**. LMCE is an intended third-party beneficiary of the terms and provisions of this Agreement and may enforce the terms and provisions hereof that relate to LMCE and may also enforce the rights and benefits of Licensor hereunder on behalf of Licensor.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date set forth above:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill

Name: Kenneth Hill

Title: Chief Executive Officer

ARMACOR VICTORY VENTURES, LLC

By: /s/ Rick Salas

Name: Risk Salas

Title: President

EXHIBIT A

CRUCIBLE LICENSED PATENTS

Patent No.	App No.		Title	Filing
4,608,319	6/649,070		Extended Surface Area Amorphous Metallic Material (Porous Amorphous Alloy for Catalysts)	9/10/1984
4,725,512	06/618885		Materials Transformable from the Non Amorphous State Under Frictional Loadings (Armacore)	6/8/1984
5,030,519	7/513,762		Tungsten Carbide-Containing Hard Alloy that May be Processed by Melting (WC Containing Coating)	4/24/1990
5,695,825	08/457395		Titanium-Containing Ferrous Hard-Facing Material Source and Method for Hard Facing a Substrate (Ti-Containing Hard-Facing Coating)	5/31/1995
5,942,289	08/824,415		Hardfacing a Surface Utilizing a Method and Apparatus Having a Chill Block	3/26/1997
6,376,091	09/650,977		Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2000
2,420,868	2420868	Canada	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
ZL01818829.8	1814829.8	China	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
EP1320460	1966020.8	Great Britain	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
60135860.0-08	EP1320460	Germany	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001

Patent No.	App No.		Title	Filing
1320460	1966020	Switzerland	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
5016775	2002-523080	Japan	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
10-0849385	10-2003-7003036	South Korea	Article Including a Composite of Unstabilized Zirconium Oxide Particles in a Metallic Matrix and Its Preparation (Zirconia Containing Coating)	8/29/2001
	PCTUS2011 023395 13/576,563 61/300,381		Nickel Based Thermal Spray Powder (8080)	2/1/2010
	11703789.5	Europe	Nickel Based Thermal Spray Powder (8080)	2/1/2010
		Great Britain	Nickel Based Thermal Spray Powder (8080)	
		Germany	Nickel Based Thermal Spray Powder (8080)	
ZL201180013534.2	201180013534.2	China	Nickel Based Thermal Spray Powder (8080)	2/1/2011
		India	Nickel Based Thermal Spray Powder (8080)	
		Japan	Nickel Based Thermal Spray Powder (8080)	
10-1445953	10-2012-7022981	South Korea	Nickel Based Thermal Spray Powder (8080)	8/31/2012
		Brazil	Nickel Based Thermal Spray Powder (8080)	
	PCT/US2011 029092 13,636,032 61/315,661		Molybdenum-Containing Ferrous Alloy for Improved Thermal Spray Deposition Hard-Facing (X-80)	3/19/2010
	WO2011/116,350 EP 11711226.8	Europe	Molybdenum-Containing Ferrous Alloy for Improved Thermal Spray Deposition Hard-Facing (X-80)	3/18/2011 10/12/12
	201180020615.5	China	Molybdenum-Containing Ferrous Alloy for Improved Thermal Spray Deposition Hard-Facing (X-80)	
10-1450988	10-2012-7027268	South Korea	Molybdenum-Containing Ferrous Alloy for Improved Thermal Spray Deposition Hard-Facing (X-80)	10/18/2012

Patent No.	App No.		Title	Filing
	201510300362.7		Method of Improving Metal Parts Surface Corrosion Resistant	6/5/2015
	201510566809.5		Amorphous Alloy Thermal Spray Coating Method of Boiler Heating Surface	9/9/2015

005.283986

EXHIBIT B

LMC OWNED PATENTS

Patent No.	App No.		Title	Filing
	14,777,375 PCT US 2014/028127 61/791728		Composite Coating Material with Amorphous-Containing Matrix	9/15/2015 3/14/2014 3/15/2013
	201480028531.X	China	Fiber-Containing Composites	3/14/2014
9,493,909	13/827,354 PCT US2013/031459 61/675,084		Fiber-Containing Amorphous Alloy Composite	3/14/2013 3/14/2013 7/24/2012
	201380049723.4	China	Fiber-Containing Amorphous Alloy Composite	3/14/2013
	PCT US2015/028663 61/986,288		Underground Components with Amorphous Coating	4/30/2015 4/30/2014
	201580021714.3	China	Underground Components with Amorphous Coating	10/31/2016
	10-2015-0030268	South Korea	Thermal Spray Application Having High Wear Resistance and Low Coefficient of Friction	3/4/2015
	62/324,116		Apparatus and Method for Cooling a Hard Metal Applied to the Surface of a Metal Alloy Substrate	4/18/2016
	62/405,068		Method of Making Non-Galling Metal Parts and Metal Parts Made Thereby	10/6/2016
	62,368,725		Cutting Tools	7/29/2016
	62,400,446		Drill pipe coating with different properties in different zones	9/24/2015
	15/298,547 (Continuation of 13/827,354)		Fiber-Containing Amorphous Alloy Composite	7/24/2012

TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT (this "Agreement") is made and entered into as of August 21, 2017, by and between, and **LIQUIDMETAL COATINGS ENTERPRISES, LLC**, a Delaware limited liability company having its principal place of business at 20404 Whitewood Drive Spring, Texas 77373 ("LMCE"), and **VICTORY ENERGY CORPORATION**, a Nevada corporation having its principal place of business at 3355 Bees Cave Road, Suite 608, Austin, TX 78746 ("Victory").

RECITALS:

A. Pursuant to an Exclusive License Agreement of even date herewith between LMCE and Armacor Victory Ventures, LLC, a Delaware limited liability company ("Armacor"), LMCE granted an exclusive license to Armacor under certain patents and technical information of LMCE for use on the petroleum exploration and production industry (the "Armacor License Agreement").

B. Pursuant to an Exclusive Sublicense Agreement of even date herewith between Armacor and Victory, Armacor granted an exclusive sublicense to Victory of Armacor's rights under the Armacor License Agreement (the "Victory Sublicense Agreement").

C. LMCE and Victory intend to enter into a Supply Agreement (the "Supply Agreement") pursuant to which LMCE will supply Victory with certain materials to be resold and/or applied by Victory under the Victory Sublicense Agreement in the petroleum exploration and production industry (the "Victory Licensed Business").

D. LMCE sells coatings materials and engages in application services under the LIQUIDMETAL® and ARMACOR® trademarks (the "Trademarks").

E. LMCE licenses the right to use the LIQUIDMETAL® trademark (the "Liquidmetal Mark") under a Second Amended and Restated License and Technical Support Agreement, dated November 30, 2011, between LMCE (as assignee of Liquidmetal Coatings, LLC) and Liquidmetal Technologies, Inc., a Delaware corporation ("LMT") (the "LMT Trademark License Agreement").

F. LMCE is the owner of the ARMACOR® trademark (the "Armacor Mark").

F. The parties desire to enter into this Agreement in order to grant to Victory the right to use the Trademarks in connection with the Victory Licensed Business upon the terms and conditions set forth herein.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements set forth herein, LMCE and Victory hereby agree as follows:

Article 1
TRADEMARK LICENSE

1.1. **Trademark License**. LMCE hereby grants to Victory a perpetual, non-exclusive worldwide, royalty-free, fully paid up, non-transferable license to use the Trademarks solely in connection with the marketing and sale of the products and services in the Victory Licensed Business, subject to the following terms and conditions:

(a) Except as otherwise agreed to by LMCE in writing, all use of the Trademarks by Victory is subject to LMCE's standard trademark usage policies as in effect from time to time (provided that LMCE delivers a copy of such policies to Victory). In addition, the use of the Liquidmetal Mark will be subject to the LMT Trademark License Agreement and the trademark usage policies published from LMT

from time to time (and LMCE hereby agrees to promptly provide Victory with a copy of any such policies received by LMCE).

(b) All stylized use of a Trademark that is materially different than the designs set forth on Exhibit A hereto shall be subject to the prior written consent of LMCE.

(c) Victory agrees not to affix the Trademarks to products other than products that are consented to in writing by LMCE, which consent will not be unreasonably withheld. The "®" icon shall always follow the Trademark.

(d) Victory shall not challenge the validity of the Trademarks or any registration(s) thereof. Victory agrees that it shall not register or attempt to register the Trademarks or any other trademark or trade name of LMCE or LMT, or use or register any other trademark or trade name which may be confusingly similar to the Trademarks or any other trademark or trade name of LMT or LMCE.

(e) Victory shall be permitted to sublicense the Trademark to any third party that is approved in writing by LMCE (which approval will not be unreasonably withheld) and that complies with the usage conditions and restrictions set forth in this Section 1.1. Victory shall cause any such sublicensee to comply with the terms, conditions, and restrictions of this Section 1.1.

ARTICLE 2
TERM AND TERMINATION

2.1. **Term**. Except as set forth in Section 2.2 below, the rights and licenses set forth in this Agreement shall be perpetual in nature.

2.2. **Termination**. Notwithstanding any other provision contained herein, this Agreement may be terminated as follows:

(a) **Termination of Victory Sublicense Agreement**. This Agreement and the licenses and rights granted herein shall automatically terminate upon, and concurrently with, the termination of the Victory Sublicense Agreement.

(b) **Material Breach**. This Agreement may be terminated on the thirtieth (30^{th}) day after either party gives the other party written notice of a material breach by the other party of any term or condition of this Agreement, unless the breach is cured before that day. The right of a party to terminate this Agreement shall be in addition to and not in lieu of any other right or remedy that the terminating party may have at law or in equity.

(c) **Bankruptcy**. This Agreement may be terminated immediately by a party in the event the other party becomes insolvent, files or has filed against it a petition under any chapter of the United States Bankruptcy Code (or any similar petition under the insolvency law of an applicable jurisdiction) and such petition is not dismissed within thirty (30) days, proposes any dissolution, liquidation, financial reorganization, or re-capitalization with creditors, or makes an assignment or trust mortgage for the benefit of creditors, or if a receiver, trustee, custodian, or similar agent is appointed or takes possession of any property or business of such other party.

2.3. **Effect of Termination**. Upon termination of this Agreement, the licenses and all other rights granted to a party under this Agreement shall immediately terminate.

ARTICLE 3
MISCELLANEOUS

3.1. **Force Majeure**. Excluding payment obligations, neither party shall be liable for, nor shall it be considered in breach of this Agreement due to, any failure to perform its obligations under this Agreement

as a result of a cause beyond its control, including any act of God or public enemy, act of any military, civil or regulatory authority, terrorism or threat thereof, change in any law or regulation, fire, flood, earthquake, storm or other like event, disruption or outage of communications, power or other utility, labor problem, unavailability of supplies, or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the party with reasonable care.

3.2. **Notices**. All notice, requests, demands and other communications hereunder shall be in English and shall be given in writing and shall be: (i) personally delivered; (ii) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents with confirmation of receipt; or (iii) sent to the parties at their respective addresses indicated herein by registered or certified mail, return receipt requested and postage prepaid, or by private overnight mail courier services with confirmation of receipt. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to Victory:

Victory Energy Corporation
3355 Bees Cave Road, Suite 608
Austin, TX 78746
Attention: Kenneth Hill
Phone No.: (512) 347-7300
Fax No.: (866) 234-9806 |

Or to such other person or address as Victory shall furnish to LMCE in writing.

(b) If to LMCE:

Liquidmetal Coatings Enterprises, LLC
20505 Crescent Bay Drive
Lake Forest, CA 92630
Attention: Ricardo A. Salas
Phone No.: (949) 842-9977
Fax No.: (949) 315-3096

Or to such other person or address as LMCE shall furnish to Victory in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt by the "attention" addressees or persons authorized to accept for such addressees; if transmitted by facsimile or other electronic means pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt by the "attention" addressees or persons authorized to accept for such addressees; and if sent by mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this paragraph.

3.3. **Independent Contractors**. In the performance of this Agreement, LMCE and Victory are independent contractors. Neither party nor any of its employees or agents shall be considered an employee

or agent of the other party. Nor shall any partnership, co-venture or joint-employer relationship be created or implied by virtue of this Agreement or of its performance. The parties intend that this Agreement shall not create a partnership for tax purposes.

3.4. **Survival**. Any provisions which by their express or implicit terms are intended to survive the expiration or termination of this Agreement, shall survive the expiration or termination of this Agreement and be enforceable in accordance with their terms.

3.5. **Severability**. Each provision contained in this Agreement is declared to constitute a separate and distinct covenant and provision and to be severable from all other separate, distinct covenants and provisions. It is agreed that should any clause, condition or term, or any part thereof, contained in this Agreement be unenforceable or prohibited by law or by any present or future legislation then such clause, condition, term or part thereof, shall be amended, and is hereby amended, so as to be in compliance with the said legislation or law but, if such clause, condition or term, or part thereof, cannot be amended so as to be in compliance with the said legislation or law, then such clause, condition, term or part thereof is severable from this Agreement, and all the rest of the clauses, terms and conditions or parts thereof contained in this Agreement shall remain unimpaired and continue in full force and effect.

3.6. **Amendment**. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

3.7. **Waiver**. No waiver of a breach of any provision of this Agreement shall be deemed to be, or shall constitute, a waiver of a breach of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver of such breach unless otherwise expressly provided in such waiver.

3.8. **Governing Law**. This Agreement, the legal relations between the parties, and any action, whether contractual or non-contractual, instituted by any party with respect to matters arising under or growing out of or in connection with or in respect of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas (U.S.A.), excluding any choice of law rules that may direct the application of the laws of another jurisdiction, and except that questions affecting the construction and effect of any Patent shall be determined by the law of the country in which the Patent has been granted.

3.9. **Resolution of Disputes**. The parties irrevocably agree that any legal actions or proceedings brought by or against them with respect to this Agreement shall be brought exclusively in the courts in and for Travis County, Texas, and the United States District Court for Travis County, Texas, and by execution and delivery hereof, the parties irrevocably submit to such jurisdiction and hereby irrevocably waive any and all objections which they may have with respect to venue in any of the above courts. Notwithstanding the foregoing, this paragraph shall not preclude or limit LMCE's rights to pursue actions before a foreign court or governmental agency if neither the federal courts nor the state courts have subject matter jurisdiction over the action. THE PARTIES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, PROCEEDING OR OTHER LITIGATION RESULTING FROM OR INVOLVING THE ENFORCEMENT OF THIS AGREEMENT.

3.10. **Attorneys' Fees**. In any action between the parties for relief based in whole or in part on this Agreement (or the breach thereof), the prevailing party shall be entitled to recover (in addition to any other relief awarded or granted) its reasonable costs and expenses (including attorneys' fees and expert witness fees) incurred in the proceeding.

3.11. **Entire Agreement**. This Agreement sets forth the complete agreement of the parties concerning the subject matter hereof. No claimed oral agreement in respect thereto shall be considered as any part hereof. No waiver of or change in any of the terms hereof subsequent to the execution hereof

claimed to have been made by any representative of either party shall have any force or effect unless in writing, signed by duly authorized representatives of the parties.

3.12. **Recitals**. The recitals set forth in the preamble to this Agreement are true and correct and are made a part of this Agreement.

3.13. **Assignment**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party shall assign its rights or duties under this Agreement, in whole or in part, without the prior written consent of the other party.

3.14. **Headings**. The section and paragraph headings in this Agreement are for convenience only and are not intended to affect the meaning or interpretation of this Agreement.

3.15. **Contract Interpretation**. Ambiguities, inconsistencies, or conflicts in this Agreement shall not be strictly construed against the drafter of the language but will be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the parties' intentions at the time this Agreement is entered into. Where the context of this Agreement requires, singular terms shall be considered plural, and plural terms shall be considered singular.

3.16. **Counterparts**. The parties may execute this Agreement in counterparts (including by means of facsimile and electronic transmission in portable document format (PDF)). Each executed counterpart of this Agreement will constitute an original document, and all of them, together, will constitute the same agreement

[Signatures Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill

Name: Kenneth Hill

Title: Chief Executive Officer

LIQUIDMETAL COATINGS ENTERPRISES, LLC

By: /s/ Rick Salas

Name: Risk Salas

Title: President

EXHIBIT A

To be delivered by LMCE to Victory promptly after the date of this Agreement

LOCK-UP AND RESALE RESTRICTION AGREEMENT

This lock-up and resale restriction agreement (the " **Agreement**") is made and entered into as of August 21, 2017, by and among **VICTORY ENERGY CORPORATION** , a Nevada corporation (" **Victory**"), and the persons executing this Agreement (each a "**Holder**" and, collectively, the " **Holders**"). Victory and the Holders are referred to individually as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. On or about the date hereof Victory and Armacor Victory Ventures, LLC (" **Armacor**"), a Holder, are entering into a Transaction Agreement (the "**Transaction Agreement** ") pursuant to which Armacor has agreed to license to Victory certain of its intellectual property, among other things, in exchange for shares of Victory's preferred stock. The entry by the Parties into this Agreement is a condition precedent to the closing (the "**Closing**") of the transactions contemplated by the Transaction Agreement. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Transaction Agreement.

B. Each Holder is either (i) an existing stockholder of Victory, or (ii) as a result of the Closing is acquiring or will acquire preferred stock of Victory.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **RESTRICTIONS ON TRANSFER**. No Holder shall, directly or indirectly, prior to the termination of this Agreement: (i) transfer, assign, sell, lend, sell short, gift-over, pledge, encumber, hypothecate, exchange or otherwise dispose (whether by sale, liquidation, dissolution, dividend or distribution), or offer or solicit to do any of the foregoing, any or all of the preferred stock received by such Holder at the Closing or thereafter in connection with the transactions contemplated by the Transaction Agreement or any shares of Victory common stock issuable upon conversion of such preferred stock (all such securities of such Holder, "**Subject Securities**") or any right or interest therein, or consent to any of the foregoing (any such action, a "**Transfer**"), (ii) enter or offer to enter into any derivative arrangement with respect to, or create or suffer to exist any liens or encumbrances with respect to, any or all of the Subject Securities or any right or interest therein, in either case that would reasonably be expected to prevent or delay such Holder's compliance with his, her or its obligations hereunder; or (iii) enter into any contract, option or other agreement, arrangement or understanding with respect to any Transfer.

2. **STOP TRANSFER ORDERS**. Each Holder hereby acknowledges and agrees that Victory shall be entitled, during the term of this Agreement, to cause any transfer agent for the Subject Securities to decline to effect any Transfer of the Subject Securities except as permitted by this Agreement and to note stop transfer restrictions on the stock register and other records relating to Subject Securities except to the extent transfers are permitted hereunder, and each Holder agrees

to execute and deliver any further documents reasonably requested by Victory in furtherance of the same.

3. **PERMITTED TRANSFERS**. Notwithstanding the foregoing, the restrictions set forth herein shall not apply to the following Transfers of Subject Securities by a Holder:

a. if such Holder is an individual (A) for nominal consideration or as a gift to any member of such Holder's "immediate family" (defined for purposes of this Agreement as the spouse, parents, lineal descendants, the spouse of any lineal descendant, and brothers and sisters) or a trust for the benefit of such Holder or any member of such Holder's immediate family, or (B) upon the death of such Holder pursuant to a will or other instrument taking effect upon the death of such Holder, or pursuant to the applicable laws of descent and distribution to such Holder's estate, heirs or distributees;

b. if the Holder is a corporation, partnership, limited liability company or other entity, any Transfer to an Affiliate or an equity holder of the Holder if such Transfer is not for value;

provided, however, that in the case of any Transfer described in clauses (a) or (b) above, it shall be a condition to the Transfer that (x) the transferee executes and delivers to Victory, not later than one business day prior to such Transfer, a written agreement that is reasonably satisfactory in form and substance to Victory to be bound by all of the terms of this Agreement (any references to immediate family in the agreement executed by such transferee shall expressly refer only to the immediate family of the Holder and not to the immediate family of the transferee) and (y) if the Holder is required to file a report under Section 16(a) of the Securities Exchange Act of 1934, as amended, reporting a reduction in beneficial ownership of the Subject Securities or any securities convertible into or exercisable or exchangeable for the Subject Securities, the Holder shall include a statement in such report to the effect that, in the case of any Transfer pursuant to (i) above, such Transfer is being made as a gift or by will or intestate succession or, in the case of any Transfer pursuant to (ii) above, such Transfer is being made to a shareholder, partner or member of, or owner of a similar equity interest in, the Holder and is not a Transfer for value.

c. Transfers that occur following the date that Shareholder Approval has been obtained (the "**Approval Date**"), in an amount that does not exceed five percent (5%) of the total Subject Securities received by such Holder in the transactions contemplated by the Transaction Agreement per calendar month (pro-rated in the case of partial calendar months).

For purposes hereof, "**Affiliate**" shall mean, with respect to any entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such entity. For purposes hereof, "**control**" (including the terms "controlled by" and "under common control with"), as used with respect to any entity or person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity or person, whether through the ownership of voting securities or otherwise.

4. **TRANSFERS IN VIOLATION VOID** . Any attempted sale, transfer or other disposition in violation of this Agreement shall be null and void.

5. **BINDING EFFECT; WAIVER**. This Agreement shall be binding upon the Holder, its agents, heirs, successors, assigns and beneficiaries. Any waiver by Victory of any of the terms and conditions of this Agreement in any instance must be in writing and must be duly executed by Victory and the Holder and shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof.

6. **TERMINATION**. This Agreement, and all rights and obligations of the parties hereunder, shall terminate on the first anniversary of the Approval Date or sooner upon the consent of Victory and Armacor.

7. **MISCELLANEOUS**. Facsimile execution and delivery of this Agreement is legal, valid and binding execution and delivery for all purposes. This Agreement shall not confer any rights or remedies upon any person other than the parties and their respective successors and permitted assigns. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. The Section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to principles of conflicts of laws. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. Each of the parties will bear his or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. Each party acknowledges and agrees that the other party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter, in addition to any other remedy to which they may be entitled, at law or in equity.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement as of the day and year first above written.

VICTORY:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

HOLDERS:

ARMACOR VICTORY VENTURES, LLC

By: /s/ Rick Salas
Name: Rick Salas
Title: President

VISIONARY PRIVATE EQUITY GROUP I, LP
BY: VISIONARY PE GP I, LLC, General Partner

By: /s/ Ronald Zamber
Name: Ronald Zamber
Title: Senior Managing Director

MCCALL LAW FIRM

By: /s/ David McCall
Name: David McCall
Title: Partner

/s/ Ronald Zamber
RONALD ZAMBER

/s/ Greg Johnson
GREG JOHNSON

/s/ Kim Rubin Hill
KIM RUBIN HILL

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "**Agreement**") is being executed and delivered as of August 21, 2017 by **ARMACOR VICTORY VENTURES, LLC**, a Delaware limited liability company (the "**Covenantor**") in favor of, and for the benefit of, **VICTORY ENERGY CORPORATION**, a Nevada corporation, (the "**Company**"), and the other Beneficiaries (as hereinafter defined). Certain capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in **Section 20** hereof.

RECITALS

A. Pursuant to a Transaction Agreement, dated on or about the date hereof (the "**Transaction Agreement**"), by and between the Covenantor and the Company, the Company shall, in consideration for the License and the Cash Contribution, among other things, issue to the Covenantor 800,000 shares (the "**Series B Shares**") of its newly designated Series B Convertible Preferred Stock (the "**Series B Preferred Stock**"). The Series B Shares will constitute at the consummation of the transactions contemplated by the Transaction Agreement 90% of the issued and outstanding common stock of the Company on a fully-diluted basis and after giving effect to the issuance of the Series B Preferred Stock and other securities of the Company being issued as contemplated by the Transaction Agreement (the "**Transaction**"), on the terms and subject to the conditions set out in the Transaction Agreement.

B. In connection with the Transaction, the Covenantor is becoming a significant stockholder of the Company. The Covenantor has had, and will continue to have, access to extensive and valuable knowledge and confidential information concerning the business of the Company.

C. In connection with the Transaction (and as a condition and mutual inducement to the consummation of the Transaction), to enable the Company to secure more fully the benefits of the Transaction, to preserve the value and goodwill of the Company after the consummation of the Transaction and to protect the trade secrets of the Company, the parties have agreed to enter into this Agreement.

D. The Restricted Entities have conducted and are conducting their respective businesses in North America.

AGREEMENT

NOW, THEREFORE, to induce the Company to consummate the Transaction, and for other good and valuable consideration, the Covenantor agrees as follows:

1. ***Restriction on Competition***. The Covenantor agrees that, during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to:

(a) engage in Competition in any Restricted Territory;

(b) directly or indirectly be or become an officer, director, stockholder, owner, co-owner, Affiliate, partner, promoter, employee, agent, representative, designer, consultant, advisor, manager, licensor, sublicensor, licensee or sublicensee of, for or to, or otherwise acquire or hold (of record, beneficially or otherwise) any direct or indirect interest in, any Person that engages in Competition in any Restricted Territory; *provided, however*, that the Covenantor may, without violating this **Section 1**: (A) own, as a passive investment, shares of capital stock of a publicly-held corporation that engages in Competition if (i) such

shares are actively traded on an established national securities market in the United States or Canada; (ii) the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor together with the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor's Affiliates and/or immediate family collectively represent less than three percent of the total number of shares of such corporation's capital stock outstanding; and (iii) neither the Covenantor nor any Affiliate of the Covenantor is otherwise associated directly or indirectly with such corporation or with any Affiliate of such corporation, (B) sell products or services relating to the Oilfield Services Business to Vallourec, a French company with its registered office at 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt, France, or its Affiliates, or (C) provide products or services to any third party that has multiple business units, one or more of which engage in Competition, so long as the Covenantor does not engage provide products or services to the business units of such third party that engages in Competition; or

(c) take any action intended to interfere with any business relationship (whether formed heretofore or hereafter) between any of the Restricted Entities and any customers, suppliers or prospects of any of the Restricted Entities.

2. ***No Solicitation of Employees, Contractors or Consultants***. The Covenantor agrees that during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to directly or indirectly, personally or through others, encourage, induce, attempt to induce, solicit or attempt to solicit (on the Covenantor's own behalf or on behalf of any other Person) any employee of or consultant to a Restricted Entity to leave his or her employment or consultancy with such Restricted Entity; provided, however, that the general posting or advertisement of job openings shall not constitute a violation of this paragraph.

3. ***Representations and Warranties***. The Covenantor represents and warrants to the Company for the benefit of the Company and the Beneficiaries that: (a) the Covenantor has full power and capacity to execute and deliver, and to perform all of the Covenantor's obligations under, this Agreement, and (b) neither the execution and delivery of this Agreement nor the performance of the Covenantor's obligations under this Agreement will result directly or indirectly in a violation or breach of (i) any agreement or obligation by which the Covenantor or any of the Covenantor's Affiliates is or may be bound during the Non-Competition Period or (ii) any law, rule or regulation. The Covenantor's representations and warranties set forth herein shall survive the expiration of the Non-Competition Period for the applicable statute of limitations.

4. ***Specific Performance***. The Covenantor agrees that, in the event of any breach or threatened breach by the Covenantor of any covenant or obligation contained in this Agreement, each of the Beneficiaries shall be entitled (in addition to any other remedy that may be available to it, including monetary damages), without the necessity of proving the inadequacy of monetary damages, to seek and obtain: (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (b) injunctive relief, including but not limited to a temporary restraining order, preliminary injunction and/or permanent injunction, restraining such breach or threatened breach. The Covenantor further agrees that no Beneficiary shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this **Section 4**, and the Covenantor irrevocably waives any right the Covenantor may have to require any Beneficiary to obtain, furnish or post any such bond or similar instrument.

5. ***Indemnification***. Without in any way limiting any of the rights or remedies otherwise available to any of the Beneficiaries, the Covenantor shall indemnify and hold harmless each Beneficiary against and from any loss, damage, liability, claim, demand, settlement, judgment, award, fine, penalty, tax,

fee (including legal fees), charge or expense (whether or not relating to any third-party claim) that is directly or indirectly suffered or incurred at any time (whether during or after the Non-Competition Period) by such Beneficiary, or to which such Beneficiary otherwise becomes subject at any time (whether during or after the Non-Competition Period), and that arises directly or indirectly out of or by virtue of, or relates directly or indirectly to, (a) any inaccuracy in or breach of any representation or warranty contained in this Agreement or (b) any failure on the part of the Covenantor to observe, perform or abide by, or any other breach of, any restriction, covenant, obligation or other provision contained in this Agreement.

6. ***Non-Exclusivity***. The rights and remedies of the Beneficiaries under this Agreement are not exclusive of or limited by any other rights or remedies which they may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of any of the Beneficiaries under this Agreement, and the obligations and liabilities of the Covenantor under this Agreement, are in addition to their respective rights, remedies, obligations and liabilities under the law of unfair competition, under laws relating to misappropriation of trade secrets, under other laws and common law requirements and under all applicable rules and regulations. Nothing in this Agreement shall limit any of the Covenantor's obligations, or the rights or remedies of any of the Beneficiaries, under the Transaction Agreement.

7. ***Severability***. Any term or provision of this Agreement that is deemed or determined to be invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

8. ***Governing Law***. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9. ***Exclusive Jurisdiction***. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the courts of the State of Texas in connection with any matter based upon or arising out of this Agreement and the other matters contemplated herein. Each party agrees not to commence any legal proceedings related hereto except in such courts. By execution and delivery of this Agreement, each party hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and to the appellate courts therefrom solely for the purposes of disputes arising under this Agreement and not as a general submission to such jurisdiction or with respect to any other dispute, matter or claim whatsoever. The parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of copies thereof by overnight courier to the address for such party to which notices are deliverable hereunder. Any such service of process shall be effective upon delivery. Nothing herein shall affect the right to serve process in any other manner permitted by applicable law. The parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (b) that such action or proceeding is brought in an inconvenient

forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (c) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to any final judgment of any court having jurisdiction.

10. ***Independent Legal Advice***. Each of the parties hereto acknowledges that (i) such party has either obtained independent legal advice with respect to the terms of this Agreement or that such party has, despite having been given the opportunity to do so and being encouraged to do so, declined to seek independent legal advice with respect to the terms of this Agreement, and (ii) such party understands the terms of, and such party's rights and obligations under, this Agreement.

11. ***Waiver***. No failure on the part of any Beneficiary to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Beneficiary in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Beneficiary shall be deemed to have waived any claim of such Beneficiary arising out of this Agreement, or any power, right, privilege or remedy of such Beneficiary under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Beneficiary; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

12. ***Successors and Assigns***. Each of the Beneficiaries may freely assign any or all of its rights under this Agreement, at any time, in whole or in part, to any Person without obtaining the consent or approval of the Covenantor or of any other Person. This Agreement and all obligations hereunder are personal to the Covenantor and may not be assigned, delegated or otherwise transferred by the Covenantor at any time. This Agreement shall be binding upon the Covenantor and the Covenantor's successors and shall inure to the benefit of the Beneficiaries.

13. ***Further Assurances***. The Covenantor shall (at the Covenantor's sole expense) execute and/or cause to be delivered to each Beneficiary such instruments and other documents, and shall (at the Covenantor's sole expense) take such other actions, as such Beneficiary may reasonably request at any time (whether during or after the Non-Competition Period) for the purpose of carrying out or evidencing any of the provisions of this Agreement.

14. ***Legal Fees***. If any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is commenced between the parties concerning this Agreement, the prevailing party shall be entitled to recover reasonable legal fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled). The prevailing party shall be the party who obtained substantially the relief sought by such party.

15. ***Captions***. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

16. ***Construction***. Whenever required by the context, the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; and the neuter gender shall include the masculine and feminine genders. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Neither the drafting history nor the negotiating history of this Agreement shall be used or referred to in connection with the construction or interpretation of this Agreement. As used

in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation." Except as otherwise indicated in this Agreement, all references in this Agreement to "Sections" are intended to refer to Sections of this Agreement.

17. ***Survival of Obligations***. Except as specifically provided herein, the obligations of the Covenantor under **Sections 3**, **5** and **14** shall survive the expiration of the Non-Competition Period. The expiration of the Non-Competition Period shall not operate to relieve the Covenantor of any obligation or liability arising from any prior breach by the Covenantor of any provision of this Agreement.

18. ***Amendment***. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of both of the parties hereto.

19. ***Counterpart Execution; Exchanges by Electronic Transmission***. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

20. ***Defined Terms***. For all purposes of and under this Agreement, the following capitalized terms shall have the respective meanings below:

(a) "**Affiliate**" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person.

(b) "**Beneficiaries**" shall include: (i) the Company; (ii) each Person who is or becomes an Affiliate of the Company; and (iii) the successors and permitted assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence.

(c) A Person shall be deemed to be engaged in "**Competition**" if such Person or any of such Person's Affiliates is engaged directly or indirectly in designing, providing, performing, developing, implementing, distributing, supplying, marketing, offering, licensing, selling or reselling any product or service in the Oilfield Services Business (as that term is defined in the Transaction Agreement).

(d) "**Closing or Closing Date***"* shall have the meaning assigned to such term in the Transaction Agreement.

(e) "**Non-Competition Period**" shall mean the period commencing on the Closing Date and ending on the date that the License (as defined in the Transaction Agreement) granted to the Company under the Transaction Agreement expires.

(f) "**Person**" means any: (i) individual; (ii) corporation, general partnership, limited partnership, limited liability partnership, trust, company (including any limited liability company or joint stock company) or other organization or entity; or (iii) governmental body or authority.

(g) "**Restricted Entities**" shall mean (i) the Company; (ii) any subsidiary of the Company; and (iii) the successors and assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence (and any one of the Restricted Entities being a "**Restricted Entity**").

(h) "**Restricted Territory**" means worldwide.

21. ***Effective Date***. This Agreement shall become effective upon the Closing Date.

The Covenantor has duly executed and delivered this Agreement as of the date first above written.

ARMACOR VICTORY VENTURES, LLC

By: /s/ Rick Salas
Name: Rick Salas
Title: President

Address:

Fax:
Email:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address:

Email:

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "**Agreement**") is being executed and delivered as of August 21, 2017 by **ARMACOR HOLDINGS, LLC**, a Delaware limited liability company (the "**Covenantor**") in favor of, and for the benefit of,**VICTORY ENERGY CORPORATION**, a Nevada corporation, (the "**Company**"), and the other Beneficiaries (as hereinafter defined). Certain capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in **Section 20** hereof.

RECITALS

A. Pursuant to a Transaction Agreement, dated on or about the date hereof (the "**Transaction Agreement**"), by and between Armacor Victory Ventures, LLC ("**Armacor**"), an affiliate of the Covenantor, and the Company, the Company shall, in consideration for the License and the Cash Contribution, among other things, issue to Armacor 800,000 shares (the "**Series B Shares**") of its newly designated Series B Convertible Preferred Stock (the "**Series B Preferred Stock**"). The Series B Shares will constitute at the consummation of the transactions contemplated by the Transaction Agreement 90% of the issued and outstanding common stock of the Company on a fully-diluted basis and after giving effect to the issuance of the Series B Preferred Stock and other securities of the Company being issued as contemplated by the Transaction Agreement (the "**Transaction**"), on the terms and subject to the conditions set out in the Transaction Agreement.

B. In connection with the Transaction, Armacor is becoming a significant stockholder of the Company. Armacor has had, and will continue to have, access to extensive and valuable knowledge and confidential information concerning the business of the Company.

C. In connection with the Transaction (and as a condition and mutual inducement to the consummation of the Transaction), to enable the Company to secure more fully the benefits of the Transaction, to preserve the value and goodwill of the Company after the consummation of the Transaction and to protect the trade secrets of the Company, the parties have agreed to enter into this Agreement.

D. The Restricted Entities have conducted and are conducting their respective businesses in North America.

AGREEMENT

NOW, THEREFORE, to induce the Company to consummate the Transaction, and for other good and valuable consideration, the Covenantor agrees as follows:

1. ***Restriction on Competition***. The Covenantor agrees that, during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to:

(a) engage in Competition in any Restricted Territory;

(b) directly or indirectly be or become an officer, director, stockholder, owner, co-owner, Affiliate, partner, promoter, employee, agent, representative, designer, consultant, advisor, manager, licensor, sublicensor, licensee or sublicensee of, for or to, or otherwise acquire or hold (of record, beneficially or otherwise) any direct or indirect interest in, any Person that engages in Competition in any Restricted Territory; *provided, however*, that the Covenantor may, without violating this **Section 1**: (A) own, as a passive

investment, shares of capital stock of a publicly-held corporation that engages in Competition if (i) such shares are actively traded on an established national securities market in the United States or Canada; (ii) the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor together with the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor's Affiliates and/or immediate family collectively represent less than three percent of the total number of shares of such corporation's capital stock outstanding; and (iii) neither the Covenantor nor any Affiliate of the Covenantor is otherwise associated directly or indirectly with such corporation or with any Affiliate of such corporation, (B) sell products or services relating to the Oilfield Services Business to Vallourec, a French company with its registered office at 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt, France, or its Affiliates, or (C) provide products or services to any third party that has multiple business units, one or more of which engage in Competition, so long as the Covenantor does not engage provide products or services to the business units of such third party that engages in Competition; or

(c) take any action intended to interfere with any business relationship (whether formed heretofore or hereafter) between any of the Restricted Entities and any customers, suppliers or prospects of any of the Restricted Entities.

2. ***No Solicitation of Employees, Contractors or Consultants***. The Covenantor agrees that during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to directly or indirectly, personally or through others, encourage, induce, attempt to induce, solicit or attempt to solicit (on the Covenantor's own behalf or on behalf of any other Person) any employee of or consultant to a Restricted Entity to leave his or her employment or consultancy with such Restricted Entity; provided, however, that the general posting or advertisement of job openings shall not constitute a violation of this paragraph.

3. ***Representations and Warranties***. The Covenantor represents and warrants to the Company for the benefit of the Company and the Beneficiaries that: (a) the Covenantor has full power and capacity to execute and deliver, and to perform all of the Covenantor's obligations under, this Agreement, and (b) neither the execution and delivery of this Agreement nor the performance of the Covenantor's obligations under this Agreement will result directly or indirectly in a violation or breach of (i) any agreement or obligation by which the Covenantor or any of the Covenantor's Affiliates is or may be bound during the Non-Competition Period or (ii) any law, rule or regulation. The Covenantor's representations and warranties set forth herein shall survive the expiration of the Non-Competition Period for the applicable statute of limitations.

4. ***Specific Performance***. The Covenantor agrees that, in the event of any breach or threatened breach by the Covenantor of any covenant or obligation contained in this Agreement, each of the Beneficiaries shall be entitled (in addition to any other remedy that may be available to it, including monetary damages), without the necessity of proving the inadequacy of monetary damages, to seek and obtain: (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (b) injunctive relief, including but not limited to a temporary restraining order, preliminary injunction and/or permanent injunction, restraining such breach or threatened breach. The Covenantor further agrees that no Beneficiary shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this **Section 4**, and the Covenantor irrevocably waives any right the Covenantor may have to require any Beneficiary to obtain, furnish or post any such bond or similar instrument.

5. ***Indemnification***. Without in any way limiting any of the rights or remedies otherwise available to any of the Beneficiaries, the Covenantor shall indemnify and hold harmless each Beneficiary

against and from any loss, damage, liability, claim, demand, settlement, judgment, award, fine, penalty, tax, fee (including legal fees), charge or expense (whether or not relating to any third-party claim) that is directly or indirectly suffered or incurred at any time (whether during or after the Non-Competition Period) by such Beneficiary, or to which such Beneficiary otherwise becomes subject at any time (whether during or after the Non-Competition Period), and that arises directly or indirectly out of or by virtue of, or relates directly or indirectly to, (a) any inaccuracy in or breach of any representation or warranty contained in this Agreement or (b) any failure on the part of the Covenantor to observe, perform or abide by, or any other breach of, any restriction, covenant, obligation or other provision contained in this Agreement.

6. ***Non-Exclusivity***. The rights and remedies of the Beneficiaries under this Agreement are not exclusive of or limited by any other rights or remedies which they may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of any of the Beneficiaries under this Agreement, and the obligations and liabilities of the Covenantor under this Agreement, are in addition to their respective rights, remedies, obligations and liabilities under the law of unfair competition, under laws relating to misappropriation of trade secrets, under other laws and common law requirements and under all applicable rules and regulations. Nothing in this Agreement shall limit any of the Covenantor's obligations, or the rights or remedies of any of the Beneficiaries, under the Transaction Agreement.

7. ***Severability***. Any term or provision of this Agreement that is deemed or determined to be invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

8. ***Governing Law***. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9. ***Exclusive Jurisdiction***. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the courts of the State of Texas in connection with any matter based upon or arising out of this Agreement and the other matters contemplated herein. Each party agrees not to commence any legal proceedings related hereto except in such courts. By execution and delivery of this Agreement, each party hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and to the appellate courts therefrom solely for the purposes of disputes arising under this Agreement and not as a general submission to such jurisdiction or with respect to any other dispute, matter or claim whatsoever. The parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of copies thereof by overnight courier to the address for such party to which notices are deliverable hereunder. Any such service of process shall be effective upon delivery. Nothing herein shall affect the right to serve process in any other manner permitted by applicable law. The parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune

from the above-described legal process, (b) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (c) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to any final judgment of any court having jurisdiction.

10. ***Independent Legal Advice***. Each of the parties hereto acknowledges that (i) such party has either obtained independent legal advice with respect to the terms of this Agreement or that such party has, despite having been given the opportunity to do so and being encouraged to do so, declined to seek independent legal advice with respect to the terms of this Agreement, and (ii) such party understands the terms of, and such party's rights and obligations under, this Agreement.

11. ***Waiver***. No failure on the part of any Beneficiary to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Beneficiary in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Beneficiary shall be deemed to have waived any claim of such Beneficiary arising out of this Agreement, or any power, right, privilege or remedy of such Beneficiary under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Beneficiary; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

12. ***Successors and Assigns***. Each of the Beneficiaries may freely assign any or all of its rights under this Agreement, at any time, in whole or in part, to any Person without obtaining the consent or approval of the Covenantor or of any other Person. This Agreement and all obligations hereunder are personal to the Covenantor and may not be assigned, delegated or otherwise transferred by the Covenantor at any time. This Agreement shall be binding upon the Covenantor and the Covenantor's successors and shall inure to the benefit of the Beneficiaries.

13. ***Further Assurances***. The Covenantor shall (at the Covenantor's sole expense) execute and/or cause to be delivered to each Beneficiary such instruments and other documents, and shall (at the Covenantor's sole expense) take such other actions, as such Beneficiary may reasonably request at any time (whether during or after the Non-Competition Period) for the purpose of carrying out or evidencing any of the provisions of this Agreement.

14. ***Legal Fees***. If any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is commenced between the parties concerning this Agreement, the prevailing party shall be entitled to recover reasonable legal fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled). The prevailing party shall be the party who obtained substantially the relief sought by such party.

15. ***Captions***. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

16. ***Construction***. Whenever required by the context, the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; and the neuter gender shall include the masculine and feminine genders. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Neither the drafting history nor the negotiating history of this Agreement

shall be used or referred to in connection with the construction or interpretation of this Agreement. As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation." Except as otherwise indicated in this Agreement, all references in this Agreement to "Sections" are intended to refer to Sections of this Agreement.

17. ***Survival of Obligations***. Except as specifically provided herein, the obligations of the Covenantor under **Sections 3**, **5** and **14** shall survive the expiration of the Non-Competition Period. The expiration of the Non-Competition Period shall not operate to relieve the Covenantor of any obligation or liability arising from any prior breach by the Covenantor of any provision of this Agreement.

18. ***Amendment***. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of both of the parties hereto.

19. ***Counterpart Execution; Exchanges by Electronic Transmission***. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

20. ***Defined Terms***. For all purposes of and under this Agreement, the following capitalized terms shall have the respective meanings below:

(a) "**Affiliate**" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person.

(b) "**Beneficiaries**" shall include: (i) the Company; (ii) each Person who is or becomes an Affiliate of the Company; and (iii) the successors and permitted assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence.

(c) A Person shall be deemed to be engaged in "**Competition**" if such Person or any of such Person's Affiliates is engaged directly or indirectly in designing, providing, performing, developing, implementing, distributing, supplying, marketing, offering, licensing, selling or reselling any product or service in the Oilfield Services Business (as that term is defined in the Transaction Agreement).

(d) "**Closing or Closing Date***"* shall have the meaning assigned to such term in the Transaction Agreement.

(e) "**Non-Competition Period**" shall mean the period commencing on the Closing Date and ending on the date that the License (as defined in the Transaction Agreement) granted to the Company under the Transaction Agreement expires.

(f) "**Person**" means any: (i) individual; (ii) corporation, general partnership, limited partnership, limited liability partnership, trust, company (including any limited liability company or joint stock company) or other organization or entity; or (iii) governmental body or authority.

(g) "**Restricted Entities**" shall mean (i) the Company; (ii) any subsidiary of the Company; and (iii) the successors and assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence (and any one of the Restricted Entities being a "**Restricted Entity**").

(h) "**Restricted Territory**" means worldwide.

21. ***Effective Date***. This Agreement shall become effective upon the Closing Date.

The Covenantor has duly executed and delivered this Agreement as of the date first above written.

ARMACOR HOLDINGS, LLC

By: /s/ Rick Salas
Name: Rick Salas
Title: President

Address:

Fax:
Email:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address:

Email:

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "**Agreement**") is being executed and delivered as of August 21, 2017 by **LM GROUP HOLDINGS, LLC**, a Delaware limited liability company (the "**Covenantor**") in favor of, and for the benefit of,**VICTORY ENERGY CORPORATION**, a Nevada corporation, (the "**Company**"), and the other Beneficiaries (as hereinafter defined). Certain capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in **Section 20** hereof.

RECITALS

A. Pursuant to a Transaction Agreement, dated on or about the date hereof (the "**Transaction Agreement**"), by and between Armacor Victory Ventures, LLC ("**Armacor**"), an affiliate of the Covenantor, and the Company, the Company shall, in consideration for the License and the Cash Contribution, among other things, issue to Armacor 800,000 shares (the "**Series B Shares**") of its newly designated Series B Convertible Preferred Stock (the "**Series B Preferred Stock**"). The Series B Shares will constitute at the consummation of the transactions contemplated by the Transaction Agreement 90% of the issued and outstanding common stock of the Company on a fully-diluted basis and after giving effect to the issuance of the Series B Preferred Stock and other securities of the Company being issued as contemplated by the Transaction Agreement (the "**Transaction**"), on the terms and subject to the conditions set out in the Transaction Agreement.

B. In connection with the Transaction, Armacor is becoming a significant stockholder of the Company. Armacor has had, and will continue to have, access to extensive and valuable knowledge and confidential information concerning the business of the Company.

C. In connection with the Transaction (and as a condition and mutual inducement to the consummation of the Transaction), to enable the Company to secure more fully the benefits of the Transaction, to preserve the value and goodwill of the Company after the consummation of the Transaction and to protect the trade secrets of the Company, the parties have agreed to enter into this Agreement.

D. The Restricted Entities have conducted and are conducting their respective businesses in North America.

AGREEMENT

NOW, THEREFORE, to induce the Company to consummate the Transaction, and for other good and valuable consideration, the Covenantor agrees as follows:

1. ***Restriction on Competition***. The Covenantor agrees that, during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to:

(a) engage in Competition in any Restricted Territory;

(b) directly or indirectly be or become an officer, director, stockholder, owner, co-owner, Affiliate, partner, promoter, employee, agent, representative, designer, consultant, advisor, manager, licensor, sublicensor, licensee or sublicensee of, for or to, or otherwise acquire or hold (of record, beneficially or otherwise) any direct or indirect interest in, any Person that engages in Competition in any Restricted Territory; *provided, however*, that the Covenantor may, without violating this **Section 1**: (A) own, as a passive

investment, shares of capital stock of a publicly-held corporation that engages in Competition if (i) such shares are actively traded on an established national securities market in the United States or Canada; (ii) the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor together with the number of shares of such corporation's capital stock that are owned beneficially (directly or indirectly) by the Covenantor's Affiliates and/or immediate family collectively represent less than three percent of the total number of shares of such corporation's capital stock outstanding; and (iii) neither the Covenantor nor any Affiliate of the Covenantor is otherwise associated directly or indirectly with such corporation or with any Affiliate of such corporation, (B) sell products or services relating to the Oilfield Services Business to Vallourec, a French company with its registered office at 27, avenue du Général Leclerc, 92100 Boulogne-Billancourt, France, or its Affiliates, or (C) provide products or services to any third party that has multiple business units, one or more of which engage in Competition, so long as the Covenantor does not engage provide products or services to the business units of such third party that engages in Competition; or

(c) take any action intended to interfere with any business relationship (whether formed heretofore or hereafter) between any of the Restricted Entities and any customers, suppliers or prospects of any of the Restricted Entities.

2. ***No Solicitation of Employees, Contractors or Consultants***. The Covenantor agrees that during the Non-Competition Period, the Covenantor shall not, and shall not direct, instruct or support any efforts of any of the Covenantor's Affiliates to directly or indirectly, personally or through others, encourage, induce, attempt to induce, solicit or attempt to solicit (on the Covenantor's own behalf or on behalf of any other Person) any employee of or consultant to a Restricted Entity to leave his or her employment or consultancy with such Restricted Entity; provided, however, that the general posting or advertisement of job openings shall not constitute a violation of this paragraph.

3. ***Representations and Warranties***. The Covenantor represents and warrants to the Company for the benefit of the Company and the Beneficiaries that: (a) the Covenantor has full power and capacity to execute and deliver, and to perform all of the Covenantor's obligations under, this Agreement, and (b) neither the execution and delivery of this Agreement nor the performance of the Covenantor's obligations under this Agreement will result directly or indirectly in a violation or breach of (i) any agreement or obligation by which the Covenantor or any of the Covenantor's Affiliates is or may be bound during the Non-Competition Period or (ii) any law, rule or regulation. The Covenantor's representations and warranties set forth herein shall survive the expiration of the Non-Competition Period for the applicable statute of limitations.

4. ***Specific Performance***. The Covenantor agrees that, in the event of any breach or threatened breach by the Covenantor of any covenant or obligation contained in this Agreement, each of the Beneficiaries shall be entitled (in addition to any other remedy that may be available to it, including monetary damages), without the necessity of proving the inadequacy of monetary damages, to seek and obtain: (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (b) injunctive relief, including but not limited to a temporary restraining order, preliminary injunction and/or permanent injunction, restraining such breach or threatened breach. The Covenantor further agrees that no Beneficiary shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this **Section 4**, and the Covenantor irrevocably waives any right the Covenantor may have to require any Beneficiary to obtain, furnish or post any such bond or similar instrument.

5. ***Indemnification***. Without in any way limiting any of the rights or remedies otherwise available to any of the Beneficiaries, the Covenantor shall indemnify and hold harmless each Beneficiary

against and from any loss, damage, liability, claim, demand, settlement, judgment, award, fine, penalty, tax, fee (including legal fees), charge or expense (whether or not relating to any third-party claim) that is directly or indirectly suffered or incurred at any time (whether during or after the Non-Competition Period) by such Beneficiary, or to which such Beneficiary otherwise becomes subject at any time (whether during or after the Non-Competition Period), and that arises directly or indirectly out of or by virtue of, or relates directly or indirectly to, (a) any inaccuracy in or breach of any representation or warranty contained in this Agreement or (b) any failure on the part of the Covenantor to observe, perform or abide by, or any other breach of, any restriction, covenant, obligation or other provision contained in this Agreement.

6. ***Non-Exclusivity***. The rights and remedies of the Beneficiaries under this Agreement are not exclusive of or limited by any other rights or remedies which they may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of any of the Beneficiaries under this Agreement, and the obligations and liabilities of the Covenantor under this Agreement, are in addition to their respective rights, remedies, obligations and liabilities under the law of unfair competition, under laws relating to misappropriation of trade secrets, under other laws and common law requirements and under all applicable rules and regulations. Nothing in this Agreement shall limit any of the Covenantor's obligations, or the rights or remedies of any of the Beneficiaries, under the Transaction Agreement.

7. ***Severability***. Any term or provision of this Agreement that is deemed or determined to be invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

8. ***Governing Law***. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9. ***Exclusive Jurisdiction***. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the courts of the State of Texas in connection with any matter based upon or arising out of this Agreement and the other matters contemplated herein. Each party agrees not to commence any legal proceedings related hereto except in such courts. By execution and delivery of this Agreement, each party hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and to the appellate courts therefrom solely for the purposes of disputes arising under this Agreement and not as a general submission to such jurisdiction or with respect to any other dispute, matter or claim whatsoever. The parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of copies thereof by overnight courier to the address for such party to which notices are deliverable hereunder. Any such service of process shall be effective upon delivery. Nothing herein shall affect the right to serve process in any other manner permitted by applicable law. The parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune

from the above-described legal process, (b) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (c) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party hereto is entitled pursuant to any final judgment of any court having jurisdiction.

10. ***Independent Legal Advice***. Each of the parties hereto acknowledges that (i) such party has either obtained independent legal advice with respect to the terms of this Agreement or that such party has, despite having been given the opportunity to do so and being encouraged to do so, declined to seek independent legal advice with respect to the terms of this Agreement, and (ii) such party understands the terms of, and such party's rights and obligations under, this Agreement.

11. ***Waiver***. No failure on the part of any Beneficiary to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Beneficiary in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Beneficiary shall be deemed to have waived any claim of such Beneficiary arising out of this Agreement, or any power, right, privilege or remedy of such Beneficiary under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Beneficiary; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

12. ***Successors and Assigns***. Each of the Beneficiaries may freely assign any or all of its rights under this Agreement, at any time, in whole or in part, to any Person without obtaining the consent or approval of the Covenantor or of any other Person. This Agreement and all obligations hereunder are personal to the Covenantor and may not be assigned, delegated or otherwise transferred by the Covenantor at any time. This Agreement shall be binding upon the Covenantor and the Covenantor's successors and shall inure to the benefit of the Beneficiaries.

13. ***Further Assurances***. The Covenantor shall (at the Covenantor's sole expense) execute and/or cause to be delivered to each Beneficiary such instruments and other documents, and shall (at the Covenantor's sole expense) take such other actions, as such Beneficiary may reasonably request at any time (whether during or after the Non-Competition Period) for the purpose of carrying out or evidencing any of the provisions of this Agreement.

14. ***Legal Fees***. If any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is commenced between the parties concerning this Agreement, the prevailing party shall be entitled to recover reasonable legal fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled). The prevailing party shall be the party who obtained substantially the relief sought by such party.

15. ***Captions***. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

16. ***Construction***. Whenever required by the context, the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; and the neuter gender shall include the masculine and feminine genders. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Neither the drafting history nor the negotiating history of this Agreement

shall be used or referred to in connection with the construction or interpretation of this Agreement. As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation." Except as otherwise indicated in this Agreement, all references in this Agreement to "Sections" are intended to refer to Sections of this Agreement.

17. ***Survival of Obligations***. Except as specifically provided herein, the obligations of the Covenantor under **Sections 3**, **5** and **14** shall survive the expiration of the Non-Competition Period. The expiration of the Non-Competition Period shall not operate to relieve the Covenantor of any obligation or liability arising from any prior breach by the Covenantor of any provision of this Agreement.

18. ***Amendment***. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of both of the parties hereto.

19. ***Counterpart Execution; Exchanges by Electronic Transmission***. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

20. ***Defined Terms***. For all purposes of and under this Agreement, the following capitalized terms shall have the respective meanings below:

(a) "**Affiliate**" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person.

(b) "**Beneficiaries**" shall include: (i) the Company; (ii) each Person who is or becomes an Affiliate of the Company; and (iii) the successors and permitted assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence.

(c) A Person shall be deemed to be engaged in "**Competition**" if such Person or any of such Person's Affiliates is engaged directly or indirectly in designing, providing, performing, developing, implementing, distributing, supplying, marketing, offering, licensing, selling or reselling any product or service in the Oilfield Services Business (as that term is defined in the Transaction Agreement).

(d) "**Closing or Closing Date***"* shall have the meaning assigned to such term in the Transaction Agreement.

(e) "**Non-Competition Period**" shall mean the period commencing on the Closing Date and ending on the date that the License (as defined in the Transaction Agreement) granted to the Company under the Transaction Agreement expires.

(f) "**Person**" means any: (i) individual; (ii) corporation, general partnership, limited partnership, limited liability partnership, trust, company (including any limited liability company or joint stock company) or other organization or entity; or (iii) governmental body or authority.

(g) "**Restricted Entities**" shall mean (i) the Company; (ii) any subsidiary of the Company; and (iii) the successors and assigns of each of the Persons referred to in clauses "(i)," "(ii)" and "(iii)" of this sentence (and any one of the Restricted Entities being a "**Restricted Entity**").

(h) "**Restricted Territory**" means worldwide.

21. ***Effective Date***. This Agreement shall become effective upon the Closing Date.

The Covenantor has duly executed and delivered this Agreement as of the date first above written.

LM GROUP HOLDINGS, LLC

By: /s/ Rick Salas
Name: Rick Salas
Title: President

Address:

Fax:
Email:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address:

Email:

LOAN AGREEMENT

This Loan Agreement (this "**Agreement**") is made as of the 21 day of August, 2017, by and between **VISIONARY PRIVATE EQUITY GROUP I, LP** , a Missouri limited partnership (the "**Lender**"), and **VICTORY ENERGY CORPORATION** , a Nevada corporation (the "**Borrower**"). Capitalized terms used, but not otherwise defined, herein have the meanings ascribed to them in the Transaction Agreement (as defined below).

RECITALS

A. On or about the date hereof, Borrower and Armacor Victory Ventures, LLC, a Delaware limited liability company ("**Armacor**") are entering into a transaction agreement (the "**Transaction Agreement**") and anticipate simultaneously closing (the "**Closing**") the transactions contemplated by the Transaction Agreement.

B. The Borrower has requested a loan from the Lender in the amount of Five Hundred Thousand Dollars ($500,000) of which Sixty Five Thousand Dollars ($65,000) has already been funded prior to the date hereof (the "**Loan**") until September 1, 2017 when Armacor is expected to fund the Initial Draw in the amount of $594,154 pursuant to the Armacor Loan contemplated by the Transaction Agreement. The proceeds of the Initial Draw will be used to repay the Loan among other things.

C. The Loan will be secured by a first priority security interest in all of the assets of the Borrower including, without limitation, the License.

AGREEMENTS

In consideration of the foregoing recitals, which are incorporated herein by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Borrower and the Lender agree as follows:

1.DEFINITIONS

1.1 ***General Application and Interpretation.*** Unless a clear contrary intention appears, as used herein (a) the singular includes the plural and *vice versa*, (b) reference to any document means such document as amended from time to time, (c) "include" or "including" means including without limiting the generality of any description preceding such term, (d) the word "or" is not exclusive, unless otherwise expressly stated, (e) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Agreement, and (f) headings are for convenience only and do not constitute a part of this Agreement.

2. LOAN

2.1 ***Loan.*** On the terms and subject to the conditions hereinafter set forth, the Lender agrees to lend to the Borrower the sum of Five Hundred Thousand Dollars ($500,000) of which

Sixty Five Thousand Dollars ($65,000) was provided to the Borrower prior to the date hereof and the balance is being provided to the Borrower on the date hereof.

2.2 ***Note.*** The Loan shall be evidenced by, and the Borrower shall deliver to the Lender on the date hereof against receipt of the Loan, the secured convertible promissory note in the form attached hereto as **Exhibit A** (the "**Note**"), duly executed by Borrower, dated of even date herewith. The Note will reflect an original issue discount of Fifty Thousand Dollars ($50,000) such that the principal amount of the Note shall be Five Hundred Fifty Thousand Dollars ($550,000) notwithstanding the fact that the Loan is in the amount of Five Hundred Thousand Dollars ($500,000). The Note shall not bear any interest in addition to the original issue discount. The principal amount of the Note shall be due and payable in the manner and at the times set forth in the Note. Should the principal of the Note become due and payable on any day other than a business day, the maturity thereof shall be extended to the next succeeding business day. All payments on the Note shall be made to the Lender at its address as specified in the Note in federal or other immediately available funds, and payments shall be applied first to the payment of any costs and expenses owed by the Borrower to the Lender with respect thereto, then to accrued interest and then to principal. The Borrower agrees that if documentary stamp taxes and intangible taxes are applicable with respect to the execution or delivery of the Note, the Borrower shall pay such tax and consents to the Lender advancing such amount pursuant to the Note for the benefit of the Lender in connection with the payment of such tax.

3. REPRESENTATIONS AND WARRANTIES

3.1 Lender represents that it has the requisite power to enter into this Agreement and to carry out its obligations hereunder and that the terms of this Agreement have been fully disclosed to its general partner and that the requisite approvals have been obtained, prior to its execution.

3.2 Borrower represents that it has the requisite power to enter into this Agreement and to carry out its obligations hereunder and that the terms of this Agreement have been fully disclosed to its board of directors, and that the requisite approvals have been obtained, prior to its execution.

3.3 Each party represents that this Agreement has been duly executed and delivered and constitutes a valid and binding obligation enforceable in accordance with its terms.

4. SECURITY

On the date hereof, the Borrower is signing and delivering to the Lender the Note, Section 4 of which constitutes a Security Agreement pursuant to which the Borrower is granting to the Lender a first priority security interest in all of the assets of the Borrower.

5. OPTION TO INVEST

If Armacor fails to satisfy its obligation to make all or any portion of the Cash Contribution under the Transaction Agreement, including Armacor's obligation under Section 1(c) of the Transaction Agreement to make the loan contemplated by such Section of the Transaction Agreement (the "**Armacor Loan**"), then the Lender or its affiliates or designees shall have the option, in its

sole discretion, to fund the shortfall, including the failure to make the Armacor Loan, up to the full amount of the Cash Contribution. If the Lender elects to fund the shortfall, the Lender shall provide written notice to the Borrower on or before December 31, 2018 of its desire fund such amount, which notice shall state the amount to be funded. In consideration for making such investment the Lender or its affiliates or designees shall receive (a) a number of shares of common stock of the Borrower that is equal to the quotient of the total investment amount divided by $0.04 (subject to equitable adjustments for stock splits, stock combinations and similar events) and (b) a five year warrant to purchase one share of common stock of the Borrower at an exercise price of $0.04 (subject to equitable adjustments for stock splits, stock combinations and similar events) for each share of common stock issued to the Lender or its affiliates or designees under clause (a) of this Section 5. If, at the time that the Lender or its affiliates or designees elects to fund such shortfall there is not sufficient common stock of the Borrower available for issuance to the Lender, then the Borrower shall issue to the Lender shares of its Series C Preferred Stock or another series of Borrower's preferred stock having terms similar to the Series C Preferred Stock and having an equivalent value to the shares of common stock of the Borrower that would otherwise be issued to the Lender and the warrant issuable to the Lender shall provide that it is not exercisable until such time as there is sufficient common stock authorized to permit the issuance of the shares of common stock of the Borrower underlying such warrant. Upon making such investment, the Lender and the Borrower shall enter into a securities purchase agreement in form and substance reasonably satisfactory to the Borrower and the Lender and containing customary representations, warranties, covenants and indemnities. Notwithstanding the foregoing, Lender shall only be permitted to exercise the option granted under this Section 5 if no third party that is ready, willing and able to fund the Borrower, has made a written proposal to fund the Borrower on terms that are more favorable to the Borrower than the terms described above; provided; however, that if any such third party makes a more favorable proposal, then Lender shall have the right, but not the obligation, to invest in the Borrower on such more favorable terms up to the entire amount of such third party financing. For the avoidance of doubt, if such third party financing is in an amount less than the entire amount of the Cash Contribution minus amounts funded by Armacor, then the Lender will continue to have the option to invest in the Borrower on the option terms in an amount up to the entire amount of the Cash Contribution minus the amount funded by Armacor and the amount of the proposed third party financing.

6. FURTHER ASSURANCES

The Borrower shall from time to time, at its sole expense, promptly execute and deliver all further instruments and documents, and take all further actions, as may be necessary and desirable, or that the Lender may reasonably request, in order to enable Lender to exercise and enforce their rights and remedies hereunder.

7. EVENTS OF DEFAULT

The occurrence of any Event of Default under the Note shall be an Event of Default under this Agreement.

8. MISCELLANEOUS

8.1 ***Severability.*** If any provision of this Agreement or any other of the other documents being entered into in connection with this Agreement shall be determined by any court having jurisdiction to be unlawful or unenforceable, such provision shall be deemed separate and apart from all other provisions of this Agreement, and all remaining provisions of this Agreement shall be fully enforceable.

8.2 ***Notices.*** All notices and other communications that are required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by electronic mail, by telecopy, by overnight courier, or by certified mail, postage prepaid, return receipt requested, to the receiving party at the address specified on the signature page to this Agreement or to such other address as such party may have given to the other by notice pursuant to this Section. Notice shall be deemed given on the date of delivery, in the case of personal delivery, electronic mail, or telecopy, or on the delivery or refusal date, as specified on the return receipt in the case of certified mail or on the tracking report in the case of overnight courier.

8.3 ***Choice of Law and Jurisdiction.*** The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Settlement Agreement shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8.4 ***Counterparts and Facsimile or Electronic Signatures.*** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one agreement. A facsimile or electronic signature, including through technology such as DocuSign, to this Agreement shall be deemed an original and binding upon the party against whom enforcement is sought.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LENDER:

VISIONARY PRIVATE EQUITY GROUP I, LP, BY: VISIONARY PE GP I, LLC,
its General Partner

By: /s/ Ronald Zamber
Name: Ronald Zamber
Title: Senior Managing Director

Address: _____ _____

_____

BORROWER:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address: _____ _____

_____

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUER WILL MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE: (1) THE ISSUE PRICE AND ISSUE DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE, (3) THE YIELD TO MATURITY OF THE NOTE, AND (4) ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE BY U.S. TREASURY REGULATIONS UPON RECEIVING A WRITTEN REQUEST FOR SUCH INFORMATION AT THE FOLLOWING ADDRESS: 3355 BEE CAVES ROAD, SUITE 608, AUSTIN, TX 78746.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL, IN A FORM ACCEPTABLE TO THE MAKER, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

SECURED CONVERTIBLE
ORIGINAL ISSUE DISCOUNT PROMISSORY NOTE

Principal Amount: $550,000 **August 21, 2017**

Loan Amount: $500,000

FOR VALUE RECEIVED, on the 21st day of August, 2017 (the " **Funding Date**"), the undersigned, **VICTORY ENERGY CORPORATION**, a Nevada corporation (the " **Maker**"), promises to pay to the order of **VISIONARY PRIVATE EQUITY GROUP I, LP** , a Missouri limited partnership, or its assigns (collectively, the "**Holder**"), the principal sum of FIVE HUNDRED FIFTY THOUSAND DOLLARS ($550,000.00) (the "**Principal Amount**"), in lawful money of the United States, together with all costs and expenses due hereunder calculated in the manner hereinafter set forth in this Secured Convertible Original Issue Discount Promissory Note (the "**Note**").

This Note is being issued in connection with the entry by the Maker and the Holder into a Loan Agreement, dated on or about the date hereof (the "**Loan Agreement**") and is being secured by the security interest granted by the Maker to the Holder pursuant to Section 4 of this Note. Capitalized terms used, but not otherwise defined, herein have the meanings ascribed to such terms in the Loan Agreement.

1. Term; Original Issue Discount; Payments

(a) The term of this Note is from the Funding Date until September 1, 2017 (the " **Maturity Date**"). The Maturity Date may be extended by a written agreement between the Holder and the Maker.

(b) This Note is being issued at an original issue discount of Fifty Thousand Dollars ($50,000). No additional interest (other than Default Interest (as defined below)) shall accrue hereon. This Note has been issued with "original issue discount" for U.S. Federal income tax purposes. The Maker will make available to any holder of this note: (1) the issue price and issue date of the Note, (2) the amount of original issue discount on the Note, (3) the yield to maturity of the Note, and (4) any other information required to be made available by U.S. Treasury Regulations upon receiving a written request for such information at the following address: 3355 Bee Caves Road, Suite 608, Austin, TX 78746.

(c) The Maker shall pay to the Holder the unpaid Principal Amount in full on the Maturity Date.

2. Acceleration and Events of Default

In the event that any of the following (each, an " **Event of Default**") shall occur:

(a) The Maker shall default in the payment of the Principal Amount of this Note as and when the same shall become due and payable, whether by acceleration or otherwise; or

(b) The Maker shall default in any material manner in the observance or performance of any covenants or agreements set forth in this Note or the Loan Agreement (all as may be amended, restated, extended, supplemented or otherwise modified from time to time, herein collectively called, the "**Loan Documents**"); or

(c) The Maker shall: (i) admit in writing its inability to pay its debts as they become due; (ii) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Maker or any of its property, or make a general assignment for the benefit of creditors; (iii) in the absence of such application, consent or acquiesce in, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Maker or for any part of its property; or (iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Maker, and, if such case or proceeding is not commenced by the Maker or converted to a voluntary case, such case or proceeding shall be consented to or acquiesced in by the Maker or shall result in the entry of an order for relief;

then, and so long as such Event of Default is continuing for a period of two (2) business days in the case of non-payment under Section 2(a) or 2(b) (and the event which would constitute such Event of Default, if curable, has not been cured), by written notice to the Maker from the Holder, then the Holder shall have the right to declare all obligations of the Maker under this Note to become

immediately due and payable without presentment, demand, protest or any other action nor obligation of the Holder of any kind, all of which are hereby expressly waived, and Holder may exercise any other remedies the Holder may have at law or in equity. If an Event of Default specified in Section 2(c) above occurs, the principal amount of this Note shall automatically, and without any declaration or other action on the part of any Holder, become immediately due and payable.

Upon the occurrence of an Event of Default, interest upon the unpaid Principal Amount shall begin to accrue at a rate equal to the lesser of (a) eight (8) percent per annum or (b) the maximum interest rate allowed from time to time under applicable law ("**Default Interest Rate**"), and shall continue at the Default Interest Rate until the Event of Default is cured or full payment is made of the unpaid Principal Amount. If any judgment is rendered in favor of the Holder against the Maker, said judgment shall bear interest at the Default Interest Rate or the maximum rate permitted by applicable law from time to time, in effect as of the date of this Note.

3. Prepayment Without Penalty

Maker shall have the right at any time to prepay, in whole or in part, the Principal Amount without penalty, subject to the qualification, however, that no partial prepayment of the Principal Amount shall in any way release, discharge or affect the obligation of the Maker to make full payment in the amount of the balance of said Principal Amount on the Maturity Date. If Maker desires to prepay this Note, Maker shall provide the Holder with reasonable advance written notice such that Holder will have the opportunity to convert this Note in accordance with Section 5 hereof prior to any such prepayment.

4. Security Agreement

(a) Grant of Security Interest. To secure the prompt repayment of each and all of the obligations of the Maker hereunder to the Holder and its assigns, the Maker hereby pledges, grants, assigns and transfers to the Holder and its assigns a continuing lien on and security interest in and to all of the following property of the Maker (collectively the "**Collateral**"):

(i) All accounts, accounts receivable, contract rights, general intangibles related to or arising from any account, debit balances, note, documents, chattel paper, instruments, acceptances, drafts or other forms of obligations and receivables of the Maker arising from the sale or lease of inventory or rendition of services by the Maker, or on behalf of the Maker, in the ordinary course of its business or otherwise (all of the foregoing being herein collectively called "**Accounts**"), whether or not the same are listed on any schedules, assignments or reports furnished to the Holder from time to time, whether such Accounts are now existing or are created at any time hereafter, and all proceeds therefrom including without limitation, proceeds of insurance thereon and all guaranties, securities, and liens which the Maker may hold for the payment of any Accounts, including without limitation, all rights of stoppage in transit, replevin and reclamation and all other rights and remedies of unpaid vendor or lienor, and any liens held by the Maker as a mechanic, contractor, subcontractor, processor, materialman, machinist, manufacturer, artisan, or otherwise.

(ii) All documents, instruments, documents of title, policies and certificates of insurance, guaranties, securities, chattel paper, deposits, proceeds of insurance, cash, liens or other property relating to Accounts and owned by the Maker or in which the Maker has an interest, which are now or may hereafter be in the possession of the Maker or as to which the Maker may now or hereafter control possession by documents of title or otherwise.

(iii) All books records, customer lists, supplier lists, ledgers, evidences of shipping invoices, purchase orders, sales orders, computer records, lists, software, programs, and all other such evidences of the Maker's business records related to the Accounts, including all cabinets, drawers, etc. that may hold same, all whether now existing or hereafter arising or acquired.

(iv) All of the Maker's tangible property of whatever nature or description, whether real or personal, now or hereafter used, owned, held or leases, including without limitation all furniture, fixtures, equipment, inventory and supplies.

(v) All of the Maker's intangible property of whatever nature or description, including without limitation, all intellectual property, trade names, trademarks, service marks, computer programs (including source code and object code), patents and copyrights now owned or hereafter acquired and, specifically including, without limitation, the License (as defined in the Transaction Agreement).

(vi) All renewals, substitutions, replacements, additions, accessions, proceeds, and products of any and all the foregoing.

The Maker's grant of such security interests to the Holder shall secure the payment and performance of the indebtedness, obligations and liabilities of the Maker to the Holder of every kind and description, direct and indirect, absolute and contingent, due or to become due, now existing or hereafter arising, that relate to this Note and the rights and remedies created hereunder, and all legal and other professional fees incurred in connection with any of the foregoing. The security interest granted to the Holder hereunder shall be prior to all other interests in the Collateral.

(b) The Maker hereby agrees that the Holder shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect from time to time in the State of Texas. The Maker agrees that at any time, and from time to time, at the request of the Holder, the Maker shall execute and deliver (or cause to be executed and delivered) any and all such further instruments and/or documents (including without limitation, UCC-1 financing statements) as the Holder may consider reasonably necessary or desirable in order to effectuate, complete, perfect or preserve and maintain the lien created hereby. Upon any failure by the Maker to do so, the Holder may make, execute, record, file, re-record or refile any and all such instruments and documents for and in the name of the Maker; the Maker hereby irrevocably appoints the Holder as the agent and attorney-in-fact of the Maker to do so; and the Maker shall reimburse the Holder, on demand, for all costs and expenses incurred by the Holder in connection therewith, such amount being added to the indebtedness arising under the Note.

(c) The security interest created hereunder shall terminate upon the payment in full by the Maker to the Holder of any and all indebtedness, obligations and liabilities arising from, or in any way related to, the Note.

(d) Events of Default; Acceleration of Maturity . If an Event of Default shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any governmental authority), then, in addition to the remedies provided for elsewhere in this Note and without limitation thereof, at the option of the Holder exercised by written notice to the Maker, the Holder may (A) foreclose the liens and security interests created under this Note or under any other agreement relating to the Collateral, by any available judicial process, (B) enter any premises where any of the Collateral may be located for the purpose of taking possession or removing the same, and (C) sell, assign, lease or otherwise dispose of the Collateral or any part thereof, either at public or private sale or at any broker's board, in lots or in bulk, for cash, on credit or otherwise, with or without representations or warranties, and upon such terms as shall be acceptable to the Holder, all at the sole option of the Holder and as the Holder, in its sole discretion, may deem advisable and to the extent permitted by law, the Holder may bid or become a purchaser at any such sale, and the Holder shall have the right, at its option, to apply or be credited with the amount of all or any part of the obligations owing by the Maker to the Holder under this Note, against the purchase price bid by the Holder at any such sale. The net cash proceeds resulting from the collection, liquidation, sale, lease or other disposition of the Collateral (including, without limitation a sale where the Holder is the purchaser) shall be applied first to the expenses (including reasonable attorneys' and other professional fees) of retaking, holding, storing, processing and preparing the Collateral for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all such obligations, application as to particular obligations or against principal or any interest to be in the sole discretion of the Holder. The Holder shall give the Maker at least five (5) Business Days prior written notice of the time and place of any public sale of Collateral.

(e) Suits for Enforcement. In case any one or more of the Events of Default shall have occurred and be continuing, the Holder may proceed to protect and enforce rights of the Holder either by suit in equity or by action at law, or both, whether for the specific performance of any covenant or agreement in this Note or in aid of the exercise of any power granted in this Note, including without limitation, possession or foreclosure on the Collateral securing the Note, or the Holder may proceed to enforce the payment of the Note or to enforce any other legal or equitable right of the Holder.

(f) Remedies Cumulative. No remedy herein conferred upon the Holder is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

(g) Remedies Not Waived. No course of dealing between the Maker and the Holder and no delay in exercising any rights hereunder shall operate as a waiver of any rights of the Holder.

(h) Notice of Action of Claimed Defaults. If a holder of other obligations of the Maker shall give any notice of a claimed default or event of default (as those terms may be defined in the relevant documentation) or shall take any other action with respect to a claimed default or event of default, immediately upon obtaining knowledge thereof, the Maker shall give the Holder written notice specifying such action and the nature and status of the claimed default or event of default.

5. Conversion

(a) Generally. The Holder shall have the right, exercisable at any time from and after the Maturity Date and prior to payment in full of the Principal Amount, to convert all or any portion of the Principal Amount then outstanding, plus all accrued but unpaid interest at the Default Interest Rate (the "**Default Interest**"), into shares of the Maker's common stock, par value $0.001 per share (the "**Common Stock**") at a conversion price (the "**Conversion Price**") equal to $0.04 per share, subject to adjustment in accordance with Section 5(d) herein (the Common Stock underlying the Note being referred to herein as the "**Shares**").

(b) Mechanics of Conversion. The conversion of this Note shall be conducted in the following manner: upon any conversion of any portion of the outstanding Principal Amount of this Note, plus all accrued but unpaid Default Interest thereon: (i) the Holder shall deliver a completed and executed Notice of Conversion attached hereto as **Exhibit A** and, if such conversion is for the entire outstanding Principal Amount due under this Note surrender and deliver this Note, duly endorsed, to the Maker's office or such other address which the Maker shall designate against delivery of the certificates representing the Shares to be delivered; (ii) the Maker shall, within three (3) business days of receipt of the Notice of Conversion cause the Maker's transfer agent to issue such required number of Shares as set forth in the Conversion Notice. The Holder shall not be required to physically surrender this Note to the Maker until all of the Principal Amount and accrued and unpaid interest under this Note have been converted into Shares or been paid in full, in which case, the Holder shall surrender this Note to the Maker for cancellation within three (3) business days of the date the final Notice of Conversion is delivered to the Maker. Partial conversions of this Note shall have the effect of lowering the outstanding Principal Amount due hereunder. The Holder and the Maker shall maintain records showing the number of Shares purchased and the date of such purchases. In the event of any dispute or discrepancy, the records of the Maker shall be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, the Principal Amount due hereunder at any given time may be less than the amount stated on the face hereof.

(c) Unavailability of Authorized Common Stock. The Holder acknowledges that the Maker does not currently have sufficient authorized Common Stock to issue the Shares upon conversion of this Note. Accordingly, the Maker shall not be required to issue Shares upon conversion of this Note until such time as the Maker's articles of incorporation have been amended to increase the authorized number of shares of Maker's Common Stock such that there will be sufficient authorized shares of Common Stock to permit the issuance of the Shares upon conversion of this Note. Maker shall use its best efforts to obtain Shareholder Approval as soon as practicable. Once Shareholder Approval has been obtained, Maker shall at all times reserve for issuance upon

conversion of this Note a sufficient number of authorized shares of Common Stock to permit the issuance of Shares upon conversion of this Note.

(d) Adjustments to Conversion Price .

(i) Adjustments for Stock Splits and Combinations and Stock Dividends. If the Maker shall at any time or from time to time after the date hereof, effect a stock split or combination of the outstanding Common Stock or pay a stock dividend in shares of Common Stock, then the Conversion Price shall be proportionately adjusted. Any adjustments under this Section 5(d)(i) shall be effective at the close of business on the date the stock split or combination becomes effective or the date of payment of the stock dividend, as applicable.

(ii) Merger Sale, Reclassification, etc . In case of any (A) consolidation or merger (including a merger in which the Maker is the surviving entity), (B) sale or other disposition of all or substantially all of the Maker's assets or distribution of property to shareholders (other than distributions payable out of earnings or retained earnings), or reclassification, change or conversion of the outstanding securities of the Maker or of any reorganization of the Maker (or any other corporation the stock or securities of which are at the time receivable upon the conversion of this Note) or any similar corporate reorganization on or after the date hereof, then and in each such case the Holder of this Note, upon the conversion hereof at any time thereafter shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the conversion hereof prior to such consolidation, merger, sale or other disposition, reclassification, change, conversion or reorganization, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such Holder had converted this Note immediately prior thereto.

(e) Elimination of Fractional Interests . No fractional shares of Common Stock shall be issued upon conversion of this Note, nor shall the Maker be required to pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated and that all issuances of Common Stock shall be rounded up to the nearest whole share.

6. Legal Rate of Interest

Nothing herein contained shall be construed or so operate as to require payment of interest at a rate greater than the highest permitted rate under applicable law, or to make any payment or to do any act contrary to applicable law. To this end, if during the course of any litigation involving the enforceability of the obligations under this Note, a court having jurisdiction of the subject matter or of the parties to said litigation shall determine that either the original issue discount or default interest rate as set forth herein, or the effect of said discount or rate in relation to the particular circumstances of default resulting in said litigation, are separately or collectively usurious, then the original issue discount or interest rate set forth herein shall be reduced, or the operation and effect thereof ameliorated, to achieve the highest interest rate or charge which shall not be usurious.

7. Costs of Collection

The Maker agrees to pay to the Holder, in addition to the amounts due hereunder, all costs and expenses incurred by the Holder to collect any and all sums due under this Note, including the

Holder's attorneys' fees, regardless of whether any action or proceeding is commenced. Further, the Maker agrees to pay all applicable documentary stamp taxes and intangible taxes applicable to this Note.

8. Binding Nature; Assignment

This Note shall bind the Maker and its principals, receivers, administrators, successors and assigns, and shall inure to the benefit of the Holder and principals, receivers, administrators, successors and assigns. This Note and the obligations hereunder may not be assigned by the Maker or assumed by another party without the prior specific written consent of the Holder. This Note and the entitlements hereunder may be assigned by the Holder without the consent of the Maker.

9. Waivers by Maker

The Maker hereby waives demand, presentment for payment, notice of protest, and notice of dishonor or nonpayment of this Note.

10. Notice

Any claim, notice, request, instruction or demand required to be given or elected to be given, in connection with this Note shall be in writing and sent via personal delivery or overnight courier or via email with confirmation of receipt, to the Maker or the Holder at the addresses set forth in the Loan Agreement, or such other address to be designated in writing by Maker or Holder.

11. Jury Trial Waiver

The Maker and the Holder each hereby knowingly and voluntarily waive trial by jury and the right thereto in any action or proceeding of any kind, arising under or out of, or otherwise related to or connected with this Note.

12. Governing Law; Mediation

This Agreement shall be governed by and construed under the laws of the State of Texas without regard to the choice of law principles thereof.

13. Complete and Voluntary Agreement

This Note, along with the Loan Documents, constitutes the entire understanding of the parties on the subjects covered. The Maker expressly acknowledges and warrants that he/she/it has read and fully understands the terms of this Note; that the Maker has had the opportunity to seek legal counsel of his/her/its own choosing and to have the terms of this Note fully explained to him/her/it; that the Holder has advised the Maker to consult with an attorney prior to signing this Note; that the Maker is not executing this Note in reliance on any promises, representations or inducements other than those contained herein; and that the Maker is executing this Note voluntarily, free of any duress or

coercion. If there is any ambiguity between the terms and provisions of this Note and the Loan Documents, then the terms and provisions of the Note shall prevail and control such ambiguity.

14. Miscellaneous

(a) The Maker shall, upon the Holder's written request, promptly make, execute and deliver to the Holder any and all further documents or instruments the Holder may consider necessary or desirable in order to effectuate, complete or perfect the Maker's obligations under this Note.

(b) If any provision of this Note is held to be unenforceable for any reason, such provision shall be adjusted rather than voided, if possible, in order to achieve the intent of the Maker and the Holder to the fullest extent possible. In any event, all other provisions of this Note shall be deemed valid and enforceable to the fullest extent possible.

15. Waiver of Trial by Jury

THE MAKER AND THE HOLDER (BY ACCEPTANCE OF THIS INSTRUMENT) HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED ON THIS NOTE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Maker has signed this Note as of the Funding Date first set forth above.

MAKER:

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

EXHIBIT A

VICTORY ENERGY CORPORATION
NOTE CONVERSION NOTICE

Reference is made to the Secured Convertible Original Issue Discount Promissory Note in the original principal amount of $550,000 of Victory Energy Corporation, a Nevada corporation (the "**Maker**"), issued to the undersigned (the "**Note**").

In accordance with and pursuant to the terms of the Note, the undersigned hereby elects to convert the entire outstanding principal amount due and owing under the Note[, together with all accrued but unpaid Default Interest thereon,] into shares of Common Stock, $0.001 par value per share, of the Maker (the "**Common Stock**"), by tendering the original of the Note for cancellation.

Please confirm the following information:

Principal Amount Outstanding
under the Note: _____

[Accrued but unpaid Default Interest
under the Note:_____]

Conversion Price:_____

Number of Shares to be issued:_____

Please issue the Shares into which the Note is being converted in the following name and to the following address:

Issue to:_____

Address:_____
_____
_____

Name of Holder:_____

Signature of Holder:_____

Title:_____

Date:_____

DIVESTITURE AGREEMENT

dated as of August 21, 2017

between

VICTORY ENERGY CORPORATION

AND

NAVITUS ENERGY GROUP

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Page

DIVESTITURE AGREEMENT

DIVESTITURE AGREEMENT, dated August 21, 2017 (the " **Agreement**"), between **VICTORY ENERGY CORPORATION**, a Nevada corporation ("**Victory**") and **NAVITUS ENERGY GROUP** , a Texas general partnership ("**Navitus**").

RECITALS

A. Victory is the managing partner and beneficial owner of fifty percent (50%) of the partnership interests (the "**Interests**") in Aurora Energy Partners, a Texas general partnership (the " **Partnership**"). Navitus is the owner of the remaining fifty percent (50%) of the partnership interests in the Partnership.

B. Victory desires to divest and transfer to Navitus all of the Interests (the " **Divestiture**") in consideration for a release from Navitus of all of Victory's obligations under the Partnership Agreement (as defined below), including, without limitation, obligations to return to Navitus investors their accumulated deferred capital, deferred interest and related allocations of equity.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

Article I
DEFINITIONS

1.1. Certain Definitions.

(a) When used in this Agreement, the following terms will have the meanings assigned to them in this Section 1.1(a) and other defined terms will have the meanings given to them elsewhere in this Agreement:

"**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such Person. For purposes of this definition, "**Control**" (including the terms "**Controlled by**" and "**under common Control with**") means possession of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of stock, partnership interests, membership interests or other equity interests, as trustee or executor, by contract or otherwise.

"**Amended Partnership Agreement**" means the third amended partnership agreement of the Partnership reflecting, among other things, Navitus as the managing partner and owner of the Interests, to be executed and delivered at the Closing, in the form reasonably satisfactory to Navitus and Victory.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banks located in Austin, Texas are authorized or required by Law to close.

"**Common Stock**" means the common stock, par value $0.001 per share, of Victory.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Governmental Entity**" means any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to United States federal, state or local government or foreign, international, multinational or other government, including any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority thereof.

"**Law**" means any statute, law, ordinance, rule, or regulation of any Governmental Entity.

"**Liability**" means all indebtedness, obligations and other liabilities and contingencies of a Person, whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due.

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, hypothecation or other encumbrance in respect of such property or asset.

"**Partnership Agreement**" means the second amended partnership agreement of the Partnership, dated October 1, 2011, between Victory and Navitus, currently in effect, which shall be amended by the Third Amended Partnership Agreement pursuant to the terms of this Agreement.

"**Permit**" means any authorization, approval, consent, certificate, license, permit or franchise of or from any Governmental Entity of competent jurisdiction or pursuant to any Law.

"**Permitted Liens**" means (i) Liens for taxes that are not yet due and payable or that may hereafter be paid without material penalty or that are being contested in good faith, (ii) statutory Liens of landlords and workers', carriers' and mechanics' or other like Liens incurred in the ordinary course of business or that are being contested in good faith, (iii) Liens and encroachments which do not materially interfere with the present or proposed use of the properties or assets they affect, (iv) Liens that will be released prior to or as of the Closing and (v) Liens arising under this Agreement.

"**Person**" means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

"**Release**" means the mutual release in the form of **Exhibit A** to this Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Shareholder Approval**" means a special meeting of the shareholders of Victory that is to take place as soon as practicable following the date hereof (and if possible, on or before November 30, 2017), to obtain the approval of the Victory shareholders of, among other things, the Divestiture contemplated by this Agreement.

"**$**" means United States dollars.

(b) For purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires: (i) the meaning assigned to each term defined herein will be equally applicable to both the singular and the plural forms of such term and vice versa, and words denoting any gender will include all genders as the context requires; (ii) where a word or phrase is defined herein, each of its other grammatical forms will have a corresponding meaning; (iii) the terms "hereof", "herein", "hereunder", "hereby" and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement; (iv) when a reference is made in this Agreement to an Article, Section, paragraph, Exhibit or Schedule without reference to a document, such reference is to an Article, Section, paragraph, Exhibit or Schedule to this Agreement; (v) a reference to a subsection without further reference to a Section is a reference to such subsection as contained in the same Section in which the reference appears, and this rule will also apply to paragraphs and other subdivisions; (vi) the word "include", "includes" or "including" when used in this Agreement will be deemed to include the words "without limitation", unless otherwise specified; (vii) a reference to any party to this Agreement or any other agreement or document will include such party's predecessors, successors and permitted assigns; (viii) a reference to any Law means such Law as amended, modified, codified, replaced or reenacted as of the date hereof, and all rules and regulations promulgated thereunder as of the date hereof; and (ix) all accounting terms used and not defined herein have the respective meanings given to them under U.S. generally accepted accounting principles.

ARTICLE II
DIVESTITURE

2.1. Divestiture. Upon the terms and subject to the conditions set forth in this Agreement, Victory will sell, transfer and deliver to Navitus free and clear of all Liens, indebtedness and other Liabilities, and Navitus will acquire from Victory, the Interest in exchange for the Release. At or prior to the Closing, Victory shall pay off or otherwise satisfy all indebtedness and other Liabilities of the Partnership specifically listed on Schedule 2.1 hereto, such that the Partnership shall own all of its assets free and clear of all Liens other than Permitted Liens.

2.2. Closing. The consummation of the transaction contemplated hereby (the " **Closing**") will take place by the reciprocal delivery of closing documents by electronic mail, regular mail, fax or any other means mutually agreed upon by the parties on a date that is no later than two Business Days immediately following the day on which the last of the conditions to closing contained in Article IV (other than any conditions that by their nature are to be satisfied at the Closing) is satisfied or waived in accordance with this Agreement or at such other location or on such other date as Navitus and Victory may mutually determine (the date on which the Closing actually occurs is referred to as the "**Closing Date**").

2.3. Transactions to be Effected at the Closing . At the Closing, Navitus and Victory will execute and deliver to each other the Amended Partnership Agreement, which, among other things, will reflect Navitus as the sole owner of the Partnership and will reflect the release of Victory from all of Victory's obligations under the Partnership Agreement, including, without limitation, obligations to return to Navitus investors their accumulated deferred capital, deferred interest and

related allocations of equity and Navitus will execute and deliver to Victory the Release, and each Party will execute and deliver to the other Party all other documents, instruments or certificates required to be delivered by such Party in connection therewith.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF VICTORY

Victory represents and warrants to Navitus as follows:

3.1. Organization; Authority and Enforceability. Victory is a Nevada corporation that is validly existing and in good standing under the Laws of the State of Nevada. Victory has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and, subject to the Shareholder Approval, to consummate the Acquisition and the other transactions contemplated hereby. The execution, delivery and performance by Victory of this Agreement and the consummation by Victory of the Acquisition and the other transactions contemplated hereby have been duly authorized by all necessary action on the part of Victory and no other action is necessary on the part of Victory to authorize this Agreement or to consummate the Acquisition or the other transactions contemplated hereby (other than the Shareholder Approval). This Agreement has been duly executed and delivered by Victory and, assuming the due authorization, execution and delivery by each other party hereto, constitutes a legal, valid and binding obligation of Victory, enforceable against Victory in accordance with its terms, except as limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to creditors' rights generally and (b) general principles of equity, whether such enforceability is considered in a proceeding in equity or at Law.

3.2. Noncontravention.

(a) Neither the execution and the delivery of this Agreement nor the consummation of the Divestiture or the other transactions contemplated by this Agreement, will, with or without the giving of notice or the lapse of time or both, (i) to the actual knowledge of Victory, violate any law applicable to Victory or (ii) violate any contract or agreement to which Victory is a party, except in the case of clauses (i) and (ii) to the extent that any such violation would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Partnership.

(b) The execution and delivery of this Agreement by Victory does not, and the performance of this Agreement by Victory will not, require any consent, approval, authorization or Permit of, or filing with or notification to, any Governmental Entity, except for (i) the filings which will be made at or prior to the Closing or following the Closing, but within required time limits or (ii) where the failure to take such action would not reasonably be expected to have, individually or in the aggregate, have a material adverse effect on the Partnership.

3.3. The Interests.

(a) Victory holds of record and owns beneficially all of the Interests, free and clear of all Liens (other than Permitted Liens), except for Liens that will be removed at the Closing.

(b) Victory is not party to any contract or agreement obligating Victory to vote or dispose of any Interests.

3.4. Balance Sheet. Attached as Schedule 3.4 is a true and correct copy of the balance sheet of the Partnership.

3.5. Brokers' Fees. Victory does not have any Liability to pay any fees or commissions to any broker, finder or agent with respect to this Agreement, the Acquisition or the transactions contemplated by this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF NAVITUS

Navitus represents and warrants to Victory as follows:

4.1. Organization; Authority and Enforceability. Navitus is a general partnership that is validly existing and in good standing under the Laws of the State of Texas. Navitus has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Acquisition and the other transactions contemplated hereby. The execution, delivery and performance by Navitus of this Agreement and the consummation by Navitus of the Acquisition and the other transactions contemplated hereby have been duly authorized by all necessary action on the part of Navitus and no other action is necessary on the part of Navitus to authorize this Agreement or to consummate the Acquisition or the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Navitus and, assuming the due authorization, execution and delivery by each other party hereto, constitutes a legal, valid and binding obligation of Navitus, enforceable against Navitus in accordance with its terms, except as limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to creditors' rights generally and (b) general principles of equity, whether such enforceability is considered in a proceeding in equity or at Law.

4.2. Noncontravention.

(a) Neither the execution and the delivery of this Agreement nor the consummation of the Acquisition or the other transactions contemplated by this Agreement, will, with or without the giving of notice or the lapse of time or both, (i) to the actual knowledge of Navitus violate any Law applicable to Navitus or (ii) violate any contract or agreement to which Navitus is a party, except in the case of clauses (i) and (ii) to the extent that any such violation would not reasonably be expected to have, individually or in the aggregate, a material adverse effect upon Victory.

(b) The execution and delivery of this Agreement by Navitus does not, and the performance of this Agreement by Navitus will not, require any consent, approval, authorization or Permit of, or filing with or notification to, any Governmental Entity, except for (i) the filings which will be made at or prior to the Closing or following the Closing, but within required time limits or (ii) where the failure to take such action would not reasonably be expected to have, individually or in the aggregate, a material adverse effect upon Victory.

4.3. Brokers' Fees. Navitus does not have any Liability to pay any fees or commissions to any broker, finder or agent with respect to this Agreement, the Acquisition or the transactions contemplated by this Agreement.

ARTICLE V
COVENANTS

5.1. Consents. Each of Victory and Navitus, respectively, will use their commercially reasonable efforts to obtain any required third-party consents to the Divestiture and the other transactions contemplated by this Agreement in writing.

5.2. Taking of Necessary Action; Further Action . Subject to the terms and conditions of this Agreement, each of Victory and Navitus will take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the Divestiture in accordance with this Agreement as promptly as practicable.

5.3. Stockholders Meeting; Preparation of Proxy Statement.

(a) Subject to the terms set forth in this Agreement, Victory shall take all action necessary to duly call, give notice of, convene and hold a stockholders meeting relating to the approval of Divestiture and such other items as Victory may seek stockholder approval of (the "**Stockholders Meeting**") as soon as reasonably practicable after the date of this Agreement, and, in connection therewith, Victory shall mail a proxy statement (the "**Proxy Statement**") to the holders of Common Stock in advance of such meeting. Victory shall use reasonable best efforts to (i) solicit from the holders of Common Stock proxies in favor of the approval of the Divestiture and (ii) take all other actions necessary or advisable to secure the vote or consent of the holders of Common Stock required by applicable Law to obtain such approval. Notwithstanding anything contained herein to the contrary, Victory shall not be required to hold the Stockholders Meeting if this Agreement is terminated before the meeting is held.

(b) In connection with the Stockholders Meeting, as soon as reasonably practicable following the date of this Agreement Victory shall prepare and file the Proxy Statement with the U.S. Securities and Exchange Commission (the "**Commission**"). Without limiting the generality of the foregoing, Victory will furnish Navitus the information relating to it required by the Exchange Act and the rules and regulations promulgated thereunder to be set forth in the Proxy Statement. Victory shall use its reasonable best efforts to resolve, and each party agrees to consult and cooperate with the other party in resolving, all Commission comments with respect to the Proxy Statement as promptly as practicable after receipt thereof and to cause the Proxy Statement in definitive form to be cleared by the Commission and mailed to the Victory's stockholders as promptly as reasonably practicable following filing with the Commission.

5.4. Repricing of Warrants. As soon as reasonably practicable following the Closing Victory shall take such steps as may be necessary to amend the exercise price of the warrants of Victory that are listed on Schedule 5.4 to reflect an exercise price $0.04. Navitus acknowledges and agrees that such repricing of the Warrants may require Victory to make certain filings with Commission, including the filing of a Schedule TO and that such filings may be reviewed by the Commission, which may result in delays in effectuating such repricing.

ARTICLE VI
CONDITIONS TO OBLIGATIONS TO CLOSE

6.1. Conditions to the Obligation of Parties. The respective obligations of the parties to consummate transactions contemplated hereby are subject to the satisfaction or waiver of the following conditions:

(a) No temporary, preliminary or permanent restraining order preventing the consummation of the transactions contemplated hereby will be in effect.

(b) The parties shall have received the authorizations, consents and approvals of, or otherwise notified, the Governmental Entities as necessary to consummate the transactions contemplated hereby.

(c) The parties shall have received the authorizations, consents and approvals of, third parties necessary to accomplish the transactions contemplated hereby.

(d) Navitus and Victory shall have concluded and implemented recommendations made by their appointed tax professionals.

(e) Shareholder Approval shall have been obtained.

6.2. Conditions to Obligation of Navitus. The obligation of Navitus to consummate the transactions contemplated hereunder is subject to the satisfaction or waiver by Navitus of the following conditions:

(a) The representations and warranties of Victory set forth in this Agreement will be true and correct in all respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties speak as of another date, in which case such representations and warranties will be true and correct as of such other date), except where the failure of such representations and warranties to be so true and correct does not adversely affect the ability of the Victory to consummate the Divestiture and the other transactions contemplated by this Agreement.

(b) Victory will have performed all of the covenants required to be performed by it under this Agreement at or prior to the Closing, except where the failure to perform does not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Partnership or materially adversely affect the ability of Victory to consummate the Acquisition or perform its other obligations hereunder.

(c) Navitus shall have received a certificate signed by Victory to the effect of Sections 6.2(a) and 6.2(b) above.

(d) Navitus shall have received the Release duly executed by Victory.

(e) Navitus shall have received the Amended Partnership Agreement duly executed by Victory.

6.3. Conditions to Obligation of Victory. The obligation of Victory to consummate the transactions contemplated hereby is subject to the satisfaction or waiver by Victory of the following conditions:

(a) The representations and warranties of Navitus set forth in this Agreement will be true and correct in all respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties speak as of another date, in which case such representations and warranties will be true and correct as of such other date).

(b) Navitus will have performed in all material respects all of the covenants required to be performed by it under this Agreement at or prior to the Closing, except such failures to perform as do not materially adversely affect the ability of Navitus to consummate the Acquisition and the other transactions contemplated by this Agreement.

(c) Victory shall have received a certificate signed by Navitus to the effect of Sections 6.3(a) and 6.3(b) above.

(d) Victory shall have received the Release duly executed by Navitus.

(e) Victory shall have received the Amended Partnership Agreement duly executed by Navitus.

ARTICLE VII
TERMINATION; AMENDMENT; WAIVER

7.1. Termination of Agreement. This Agreement may be terminated as follows:

(a) by mutual written consent of Victory and Navitus at any time prior to the Closing;

(b) by either Victory or Navitus if any Governmental Entity will have issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by this Agreement;

(c) by Navitus if Victory has breached its representations and warranties or any covenant or other agreement to be performed by it in a manner such that the Closing conditions set forth in Section 6.2(a) or 6.2(b) would not be satisfied;

(d) by Victory if Navitus has breached its representations and warranties or any covenant or other agreement to be performed by it in a manner such that the Closing conditions set forth in Section 6.3(a) or 6.3(b) would not be satisfied; or

(e) by Navitus if (i) all of the conditions set forth in Section 6.1 and Section 6.3 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing or on the Closing Date provided that such conditions are reasonably capable of being satisfied at the Closing or on the Closing Date), and Victory fails to consummate the Divestiture on the date the Closing should have occurred pursuant to Section 2.2 and (ii) Navitus has irrevocably confirmed in writing that all conditions set forth in Section 6.1 and Section 6.2 have been satisfied or that it is willing to waive all unsatisfied conditions in Section 6.2 and it stands ready, willing and able to consummate the Closing on such date.

(f) by Victory if (i) all of the conditions set forth in Section 6.1 and Section 6.2 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing or on the Closing Date provided that such conditions are reasonably capable of being satisfied at the Closing or on the Closing Date), and Navitus fails to consummate the Divestiture on the date the Closing should have occurred pursuant to Section 2.2, and (ii) Victory has irrevocably confirmed in writing that all conditions set forth in Section 6.1 and Section 6.3 have been satisfied or that they are willing to waive all unsatisfied conditions in Section 6.3 and stand ready, willing and able to consummate the Closing on such date.

7.2. Effect of Termination. In the event of termination of this Agreement by Victory or by Navitus as provided in Section 7.1, this Agreement will forthwith become void and have no effect, without any Liability (other than with respect to any suit for breach of this Agreement) on the part of Navitus or Victory (or any member, partner, stockholder agent, consultant or representative of any such party); provided, that the provisions of Sections 8.1, 8.6, 8.7, 8.8, 8.11, 8.13, and this Section 7.2 will survive any termination hereof pursuant to Section 7.1.

7.3. Amendments. This Agreement may be amended by the parties hereto, by action taken or authorized by, in the case of Victory, by Victory's Board of Directors and, in the case of Navitus, by Navitus and its partners, as applicable. This Agreement may not be amended except by an instrument in writing signed on behalf of Victory and Navitus.

7.4. Waiver. At any time prior to the Closing, either Party may extend the time for the performance of any of the covenants, obligations or other acts of the other Party or (b) waive any inaccuracy of any representations or warranties or compliance with any of the agreements, covenants or conditions of the other Party or any conditions to its own obligations. Any agreement on the part of a Party to any such extension or waiver will be valid only if such waiver is set forth in an instrument in writing signed on its behalf by its duly authorized officer. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise will not constitute a waiver of such rights. The waiver of any such right with respect to particular facts and other circumstances will not be deemed a waiver with respect to any other facts and circumstances, and each such right will be deemed an ongoing right that may be asserted at any time and from time to time.

ARTICLE VIII MISCELLANEOUS

8.1. Press Releases and Public Announcement. Neither Navitus on the one hand, nor Victory on the other, will issue any press release or make any public announcement relating to this Agreement, the Divestiture or the other transactions contemplated by this Agreement without the prior written approval of the other party; provided, however, that Victory may make regulatory filings referring to this Agreement or attaching a copy hereof as may be required by applicable Law.

8.2. No Third-Party Beneficiaries. This Agreement will not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns.

8.3. Succession and Assignment. This Agreement will be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party hereto may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval, in the case of assignment by Navitus, by Victory, and, in the case of assignment by Victory, by Navitus.

8.4. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

8.5. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission or mailed (by registered or certified mail, postage prepaid, return receipt requested) or delivered by reputable overnight courier, fee prepaid, to the parties hereto at the addresses of the parties as specified on the signature pages hereto. Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties notice in the manner set forth herein.

8.6. Governing Law. This Agreement will be governed by, and construed in accordance with, the Laws of the State of Texas, without giving effect to any choice of Law or conflict of Law

provision or rule that would cause the application of the Laws of any jurisdiction other than the State of Texas.

8.7. Consent to Jurisdiction and Service of Process . EACH OF THE PARTIES HERETO CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF TEXAS AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE ACQUISITION OR THE OTHER TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT MAY BE LITIGATED IN SUCH COURTS. EACH OF THE PARTIES HERETO ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY FINAL AND NONAPPEALABLE JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT, THE ACQUISITION OR THE OTHER TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY AT THE ADDRESS SPECIFIED IN THIS AGREEMENT, SUCH SERVICE TO BECOME EFFECTIVE 15 CALENDAR DAYS AFTER SUCH MAILING. NOTHING HEREIN WILL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF ANY PARTY HERETO TO SERVE ANY SUCH LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW OR TO OBTAIN JURISDICTION OVER OR TO BRING ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OTHER PARTY HERETO IN SUCH OTHER JURISDICTIONS, AND IN SUCH MANNER, AS MAY BE PERMITTED BY ANY APPLICABLE LAW.

8.8. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement.

8.9. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms of such illegal, invalid or unenforceable provision as may be possible.

8.10. Expenses. Except as otherwise provided in this Agreement, including Section 5.5 of this Agreement, whether or not the Acquisition is consummated, all Expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such Expenses. As used in this Agreement, "**Expenses**" means the out-of-pocket fees and

expenses of the financial advisor, counsel and accountants incurred in connection with this Agreement and the transactions contemplated hereby.

8.11. Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

8.12. Limited Recourse. Notwithstanding anything in this Agreement to the contrary, the obligations and Liabilities of the parties hereunder will be without recourse to any stockholder, partner or member of such party or any of such stockholder's, partner's or member's Affiliates (other than such party), or any of their respective representatives or agents (in each case, in their capacity as such).

8.13. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with the terms hereof and that the parties will be entitled to specific performance of the terms hereof in addition to any other remedy at Law or equity.

8.14. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8.15. No Survival of Representations and Warranties. The representations and warranties made herein and in any certificate delivered in connection herewith shall expire as of the Closing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address: 3355 Bee Caves Road, Suite 608 Austin, TX 78746
Phone:
Email:
Attention: Kenneth Hill

With a copy (which shall not constitute notice) to:
BEVILACQUA PLLC
1050 Connecticut Street, NW, Suite 500
Washington, DC 20036
Attn: Louis A. Bevilacqua, Esq.
email:

NAVITUS ENERGY GROUP
BY: JAMES CAPITAL CONSULTING, LLC,
its Managing Partner

By: /s/ Ronald Zamber
Name: Ronald Zamber
Title: Managing Member

Address:_____ Fax No.: _____
Attention: _____

EXHIBIT A

Form of Release

(See Attached)

MUTUAL RELEASE

MUTUAL RELEASE, dated _____, 2017 (this " **Release**"), by and between Navitus Energy Group, a Texas general partnership ("**Navitus**") and Victory Energy Corporation, a Nevada corporation (" **Victory**"). Each of Navitus and Victory are referred to herein as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. Navitus and Victory are parties to a Divestiture Agreement, dated August 21, 2017 (the " **Divestiture Agreement**").

B. It is a condition to the closing of the transactions contemplated by the Divestiture Agreement that the Parties enter into this Release providing for the mutual release contained herein.

AGREEMENT

NOW, THEREFORE, the Parties hereto, in exchange for the mutual promises herein contained, intending to be legally bound, hereby agree as follows:

1 . **MUTUAL RELEASE**. Each of the Parties, on behalf of themselves, and all persons or entities claiming by, through or under them, and their respective successors and assigns, hereby fully, completely and finally waive, release, remise, acquit, and forever discharge and covenant not to sue the other Party, as well as the other Party's respective officers, directors, shareholders, partners, trustees, parent companies, sister companies, affiliates, subsidiaries, employers, attorneys, accountants, predecessors, successors, insurers, representatives, and agents with respect to any and all claims, demands, suits, manner of obligation, debt, liability, tort, covenant, contract, or causes of action of any kind whatsoever, at law or in equity, including without limitation, all claims and causes of action arising out of or in any way relating to any dealings between the Parties prior to the date hereof relating to or arising under the Partnership Agreement (as defined in the Divestiture Agreement), except that Navitus is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by Navitus, its partners, or any of its affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by Navitus, its partners, or any such affiliates. The Parties warrant and represent that they have not assigned or otherwise transferred any claim or cause of action released by this Release. The Parties acknowledge and agree that these releases are GENERAL RELEASES. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of this date, but which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect its decision to enter into this Release The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Release. The Parties specifically do not, however, waive or release any claim that may arise for breach of this Release.

2. **NO ADMISSION OF LIABILITY**. Neither the payment of any sums nor the execution of this Release shall be construed as an admission of liability or fault by any Party. Any and all liability is expressly denied by both Parties.

3. **AUTHORITY**. The Parties represent and warrant that they possess full authority to enter into this Release and to lawfully and effectively release the opposing Party as set forth herein, free of any rights of settlement, approval, subrogation, or other condition or impediment. This undertaking includes specifically, without limitation, the representation and warranty that no third party has now acquired or will acquire rights to present or pursue any claims arising from or based upon the claims that have been released herein.

4. **ENTIRE AGREEMENT**. The Parties represent and agree that no promise, inducement, or agreement other than as expressed herein has been made to them and that this Release is fully integrated, supersedes all prior agreements and understandings, and any other agreement between the Parties, and contains the entire agreement between the Parties.

5. **VOLUNTARY AND INFORMED ASSENT**. The Parties represent and agree that they each have read and fully understand this Release, that they are fully competent to enter into and sign this Release, and that they are executing this Release voluntarily, free of any duress or coercion.

6. **COSTS, EXPENSES AND ATTORNEYS' FEES**. Each of the Parties will bear its own costs, expenses, and attorneys' fees incurred in connection with the transactions and dealings between the Parties prior to the date hereof.

7. **GOVERNING LAW AND JURISDICTION**. The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Release. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Release shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8. **ATTORNEYS' FEES AND COSTS FOR BREACH**. The prevailing party in any action to enforce or interpret this Release is entitled to recover from the other party its reasonable attorneys' fees.

9. **CONSTRUCTION**. This Release shall be construed as if the parties jointly prepared it, and any uncertainty or ambiguity shall not be interpreted against any one party.

10. **MODIFICATION**. No oral agreement, statement, promise, undertaking, understanding, arrangement, act or omission of any Party, occurring subsequent to the date hereof may be deemed an amendment or modification of this Release unless reduced to writing and signed by the Parties hereto or their respective successors or assigns.

11. **SEVERABILITY**. The Parties agree that if, for any reason, a provision of this Release is held unenforceable by any court of competent jurisdiction, this Release shall be

automatically conformed to the law, and otherwise this Release shall continue in full force and effect.

12. **NUMBER**. Whenever applicable within this Release, the singular shall include the plural and the plural shall include the singular.

13. **HEADINGS**. The headings of paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Release.

14. **COUNTERPARTS**. This Release may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart. Facsimile signatures shall be accepted the same as an original signature. A photocopy of this Release may be used in any action brought to enforce or construe this Release.

15. **NO WAIVER**. No failure to exercise and no delay in exercising any right, power or remedy under this Release shall impair any right, power or remedy which any Party may have, nor shall any such delay be construed to be a waiver of any such rights, powers or remedies or an acquiescence in any breach or default under this Release, nor shall any waiver of any breach or default of any Party be deemed a waiver of any default or breach subsequently arising.

IN WITNESS WHEREOF, the parties hereto have caused this Release to be duly executed as of the date first set forth above.

VICTORY ENERGY CORPORATION

By:_____
Name: Kenneth Hill
Title: Chief Executive Officer

Address: 3355 Bee Caves Road, Suite 608 Austin, TX 78746
Phone:
Email:
Attention: Kenneth Hill

With a copy (which shall not constitute notice) to:
BEVILACQUA PLLC
1050 Connecticut Street, NW, Suite 500
Washington, DC 20036
Attn: Louis A. Bevilacqua, Esq.
email:

NAVITUS ENERGY GROUP

By:_____
Name:
Title:

Address:_____ Fax No.: _____
Attention: _____

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this " **Settlement Agreement**") dated August 21, 2017, between **VICTORY ENERGY CORPORATION**, a Nevada corporation ("**Victory**"), and **VISIONARY PRIVATE EQUITY GROUP I, LP** , a Missouri limited partnership (" **VPEG**"). Victory and VPEG are referred to individually as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. On the date hereof, Victory and Armacor Victory Ventures, LLC, a Delaware limited liability company (" **Armacor**") entered into a transaction agreement (the "**Transaction Agreement**") and anticipate closing (the "**Closing**") the transactions contemplated by the Transaction Agreement on or about the date hereof.

B. The Transaction Agreement provides, among other things, that all obligations of Victory to VPEG and its affiliates to repay indebtedness for borrowed money other than the VPEG Loan (as defined in the Transaction Agreement), including loans that may be made by VPEG to Victory between the dates of June 9, 2017 and the Closing, and including the Note (as defined below), which totals Eight Hundred Seventy-Three Thousand Four Hundred Nine Dollars and Sixty Four Cents ($873,409.64), including all accrued, but unpaid, interest thereon (collectively, the "**Indebtedness**"), shall be converted into shares of Victory's Series C Preferred Stock (the "**Series C Preferred Stock**") at the Closing. The Parties wish to resolve their respective claim under the Indebtedness without admitting liability therefor, and in order to avoid the uncertainty, expense, and burden of litigation.

C. The obligations of Victory relating to the Indebtedness arise pursuant to the securities purchase agreement, dated February 1, 2017, between Victory and VPEG, under which VPEG purchased a unit comprised of (i) Three Hundred Twenty Thousand Dollars ($320,000) principal amount of twelve percent (12%) unsecured six-month promissory note with a maturity date of the earlier of six months from the date of the note or the date that Victory consummates a material business combination transaction (the "**Note**"), and (ii) a common stock purchase warrant to purchase 5,203,252 shares (the " **Warrant**") of Victory's common stock, par value $0.001 per share at an exercise price of $0.0923 per share.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties hereto, intending to be legally bound hereby agree as follows:

1. Issuance of Series C Preferred Stock . For and in satisfaction of the Indebtedness and the mutual promises and releases contained herein upon execution of this Settlement Agreement, Victory shall, at the Closing, immediately issue 110,000.472149068 shares of Series C Preferred Stock to VPEG at a rate of $7.94005355555556 per share of Series C Preferred Stock for a total of Eight Hundred Seventy-Three Thousand, Four Hundred Nine Dollars and Sixty Four Cents ($873,409.64). The Series C Preferred Stock has the rights, preferences, and limitations specified

in the Certificate of Designation of the Series C Preferred Stock in the form attached hereto as **Exhibit A**. VPEG will retain all of the warrants issued to it prior to the Closing, including warrants issuable to VPEG for any loans that may be made after June 9, 2017 and prior to the Closing (the "**Retained Warrants**") and VPEG shall continue to have all of its rights under the VPEG Loan (as defined in the Transaction Agreement).

2. Releases.

a. Release by VPEG. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, VPEG hereby releases and discharges Victory and all of its successor(s), predecessor(s)-in-interest, subsidiaries, related and affiliated companies and entities, and each of the foregoing companies' and entities' respective divisions, officers, directors, shareholders, partners, limited partners, joint ventures, agents, employees, representatives, independent contractors, payroll companies, attorneys, insurers, licensees and assigns, past, present or future ("**Released Parties**") from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that VPEG and its affiliates has against Released Parties as of the date of this Settlement Agreement, except that (i) any matter related to the enforceability or performance of this Settlement Agreement is not released, (ii) VPEG is not releasing or otherwise discharging Victory of any obligations that Victory may have under the Retained Warrants or may have after the date hereof resulting from the ownership by VPEG, or any of his affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by VPEG, or any such affiliates, and (iii) VPEG is not releasing or otherwise discharging Victory of any obligations that Victory may have under the VPEG Loan (as defined in the Transaction Agreement), related loan agreement and the VPEG Note (as defined in the Transaction Agreement).

b. Release by Victory. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Victory hereby releases and discharges VPEG from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, that Victory has against VPEG as of the date of this Settlement Agreement arising out of or relating to the Indebtedness, but excluding any matter related to the enforceability or performance of this Settlement Agreement.

c. Release of Unknown Claims. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of the date of this Settlement Agreement, but they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect its decision to enter into this Settlement Agreement. The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Settlement Agreement.

3. Waiver of Suit. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree to waive, release, promise and agree not to bring or pursue any judicial, quasi-

judicial or administrative action against any of the other Parties for any reason whatsoever arising out any matter released hereunder up to and including the date of this Settlement Agreement, including, without limitation, any claim released by this Settlement Agreement. Each Party further acknowledges and agrees that it has not already filed or otherwise commenced any such action.

4. Termination of Existing Contracts; Unwinding of Armacor Transaction .

a. Upon the execution of this Settlement Agreement, any contracts, notes or other forms of indebtedness of Victory to VPEG shall be terminated (other than the VPEG Loan) and neither VPEG nor Victory shall have any duties, rights, obligations or benefits thereunder, including without limitation, the right of VPEG to receive compensation pursuant to any contracts, notes or other forms of indebtedness. Notwithstanding the foregoing and for the avoidance of doubt, the Warrant and any other equity securities of Victory held by VPEG or its affiliates or rights to acquire equity securities of Victory shall remain in full force and effect.

b. If Armacor exercises it Right to Unwind (as defined in the Transaction Agreement) pursuant to Section 3 of the Transaction Agreement, then the Parties shall work together to mutually agree upon the steps to be taken to unwind the transactions contemplated by this Settlement Agreement.

5. Representations and Warranties.

a. VPEG represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors and that the requisite approvals have been obtained, prior to its execution.

b. Victory represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors, and that the requisite approvals have been obtained, prior to its execution.

c. Each Party represents that this Settlement Agreement has been duly executed and delivered and constitutes a valid and binding obligation enforceable in accordance with its terms.

d. VPEG represents that it understands that none of the shares of Series C Preferred Stock or shares of Victory common stock into which they are convertible (collectively, the "**Securities**") have been registered under the Securities Act of 1934, as amended (the " **Securities Act**"), or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. VPEG is a resident of or is located in the jurisdiction set forth in VPEG's address on its signature page hereto. VPEG understands that its acquisition of the Securities involves a high degree of risk and that it may lose its entire investment in the Securities. VPEG is a sophisticated Party that has

the ability to protect its own interests and conduct its own due diligence without being provided a private placement memorandum or similar disclosure document. VPEG is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

6. Entire Agreement. This Settlement Agreement constitutes the entire, exclusive and final agreement among the Parties and supersedes any and all prior agreements, discussions, representations and warranties among the Parties with respect to the matters set forth herein. The Parties have not relied upon any statements or representations made by any Party outside the content of this Settlement Agreement.

7. Choice of Law and Jurisdiction. The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Settlement Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Settlement Agreement shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8. Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9. Severability. If any provision of this Settlement Agreement is determined to be unlawful or otherwise unenforceable, the remaining provisions of this Settlement Agreement shall nevertheless continue in full force and effect.

10. Parties in Interest; Assignment. This Settlement Agreement is binding upon the Parties and their respective successors, heirs, legal representatives and permitted assigns.

11. No Admission of Liability or Wrongdoing. This Settlement Agreement and the negotiations and discussions leading up to this Settlement Agreement effect the settlement of claims which are denied and contested, and do not constitute, nor shall they be construed as, an admission of liability by the Parties. This Settlement Agreement is made solely for the purpose of avoiding the burden and expense of litigation, which would be imposed on the Parties if the disputes between them remained unsettled. This Settlement Agreement does not constitute an admission by any of the Parties hereto that they have engaged in any unlawful act. Each of the Parties hereto expressly deny that they have engaged in any unlawful act and deny liability for all claims any other Party had, has, or may have against them.

12. Construction. This Settlement Agreement shall not be construed against the Party preparing it, but shall be construed as if the Parties collectively prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

13. Modifications; Waiver. This Settlement Agreement may not be modified orally. No breach of any provision hereof may be waived unless in writing. Waiver of any breach shall not

be deemed to be a waiver of any other breach of the same or of any other provision hereof. All modifications to this Settlement Agreement must be in writing and signed by the Parties to be charged.

14. No Assignments.

a. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify VPEG and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

b. VPEG hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. VPEG agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

15. Attorneys' Fees. If any action is brought for the enforcement of this Settlement Agreement or in connection with any dispute arising out of it or the claims which are the subject of this Settlement Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and any other costs incurred in such litigation in addition to any other relief to which the prevailing Party may be entitled.

16. Advice of Counsel. Each Party to this Settlement Agreement has had the opportunity to discuss the matter with legal counsel, and enters into this Settlement Agreement only after such consultation.

17. Waiver of Jury Trial. **EACH PARTY EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SETTLEMENT AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

18. Notices. All notices and other communications hereunder shall be in writing to the Parties at the addresses specified on the signature pages hereto.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed and delivered as of the date set forth above.

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address: _____ _____

_____

VISIONARY PRIVATE EQUITY GROUP I, LP
BY: VISIONARY PE GP I, LLC,
its General Partner

By: /s/ Ronald Zamber
Name: Ronald Zamber
Title: Senior Managing Director

Address: _____ _____

_____

[Signature Page to Settlement Agreement and Mutual Release]

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this " **Settlement Agreement**") dated August 21, 2017, between **VICTORY ENERGY CORPORATION**, a Nevada corporation (" **Victory**"), and **McCall Law FIRM** ("**McCall**"). Victory and McCall are referred to individually as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. On the date hereof, Victory and Armacor Victory Ventures, LLC, a Delaware limited liability company ("**Armacor**") entered into a transaction agreement (the " **Transaction Agreement** ") and anticipate closing (the "**Closing**") the transactions contemplated by the Transaction Agreement on or about the date hereof.

B. The Transaction Agreement provides, among other things, that all obligations of Victory to McCall and its affiliates to repay indebtedness for professional services rendered by McCall (the "**Professional Services**"), which totals Three Hundred Eighty Thousand, Three Hundred Twenty-Three Dollars ($380,323), including all accrued, but unpaid, interest thereon (collectively, the "**Indebtedness**"), shall be converted into shares of Victory's Series D Preferred Stock (the "**Series D Preferred Stock**") at the Closing. The Parties wish to resolve their respective claims under the Indebtedness without admitting liability therefor, and in order to avoid the uncertainty, expense and burden of litigation.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties hereto, intending to be legally bound, hereby agree as follows:

1 . Issuance of Series D Preferred Stock . For and in satisfaction of the Indebtedness and the mutual promises and releases contained herein upon execution of this Settlement Agreement, Victory shall, at the Closing, immediately issue 20,000 shares of Series D Preferred Stock to McCall at a rate of $19.01615 per share of Series D Preferred Stock for a total of Three Hundred Eighty Thousand, Three Hundred Twenty-Three Dollars ($380,323). The Series D Preferred Stock has the rights, preferences, and limitations specified in the Certificate of Designation of the Series D Preferred Stock in the form attached hereto as **Exhibit A**.

2. Releases.

a . Release by McCall. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, McCall hereby releases and discharges Victory and all of its successor(s), predecessor(s)-in-interest, subsidiaries, related and affiliated companies and entities, and each of the foregoing companies' and entities' respective divisions, officers, directors, shareholders, partners, limited partners, joint ventures, agents, employees, representatives, independent contractors, payroll companies, attorneys, insurers, licensees and assigns, past, present or future ("**Released Parties**") from all obligations, debts, liabilities, torts, covenants, contracts, or causes

of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that McCall has against Released Parties as of the date of this Settlement Agreement, except that any matter related to the enforceability or performance of this Settlement Agreement is not released and McCall is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by McCall, or any of his affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by McCall, or any such affiliates.

b . Release by Victory. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Victory hereby releases and discharges McCall from all actions, causes of action, claims, suits, obligations, liabilities, damages, judgments, and demands whatsoever, at law or in equity, that Victory has against McCall as of the date of this Settlement Agreement arising out of or relating to the Professional Services, but excluding any matter related to the enforceability or performance of this Settlement Agreement.

c . Release of Unknown Claims. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of this date, but which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect its decision to enter into this Settlement Agreement. The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Settlement Agreement.

3 . Waiver of Suit. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree to waive, release, promise and agree not to bring or pursue any judicial, quasi-judicial or administrative action against any of the other Parties for any reason whatsoever arising out of any matter released hereunder up to and including the date of this Settlement Agreement, including, without limitation, any claim released by this Settlement Agreement. Each Party further acknowledges and agrees that it has not already filed or otherwise commenced any such action.

4. Termination of Existing Contracts; Unwinding of Armacor Transaction .

a. Upon the execution of this Settlement Agreement, any contracts, notes or other forms of indebtedness of Victory to McCall shall be terminated and neither McCall nor Victory shall have any duties, rights, obligations or benefits thereunder, including without limitation, the right of McCall to receive compensation pursuant to any contracts, notes or other forms of indebtedness.

b. If Armacor exercises it Right to Unwind (as defined in the Transaction Agreement) pursuant to Section 3 of the Transaction Agreement, then the Parties shall work together to mutually agree upon the steps to be taken to unwind the transactions contemplated by this Settlement Agreement.

5. Representations and Warranties.

a. McCall represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors and that the requisite approvals have been obtained, prior to its execution.

b. Victory represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors, and that the requisite approvals have been obtained, prior to its execution.

c. Each Party represents that this Settlement Agreement has been duly executed and delivered and constitutes a valid and binding obligation enforceable in accordance with its terms.

d. McCall represents that it understands that none of the shares of Series C Preferred Stock or shares of Victory common stock into which they are convertible (collectively, the "**Securities**") have been registered under the Securities Act of 1934, as amended (the "**Securities Act**"), or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. McCall is a resident of or is located in the jurisdiction set forth in McCall's address on its signature page hereto. McCall understands that its acquisition of the Securities involves a high degree of risk and that it may lose its entire investment in the Securities. McCall is a sophisticated Party that has the ability to protect its own interests and conduct its own due diligence without being provided a private placement memorandum or similar disclosure document. McCall is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

6. Entire Agreement. This Settlement Agreement constitutes the entire, exclusive and final agreement among the Parties and supersedes any and all prior agreements, discussions, representations and warranties among the Parties with respect to the matters set forth herein. The Parties have not relied upon any statements or representations made by any Party outside the content of this Settlement Agreement.

7. Choice of Law and Jurisdiction. The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Settlement Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Settlement Agreement shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8. Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9 . Severability. If any provision of this Settlement Agreement is determined to be unlawful or otherwise unenforceable, the remaining provisions of this Settlement Agreement shall nevertheless continue in full force and effect.

1 0 . Parties in Interest; Assignment . This Settlement Agreement is binding upon the Parties and their respective successors, heirs, legal representatives and permitted assigns.

1 1 . No Admission of Liability or Wrongdoing . This Settlement Agreement and the negotiations and discussions leading up to this Settlement Agreement effect the settlement of claims which are denied and contested, and do not constitute, nor shall they be construed as, an admission of liability by the Parties. This Settlement Agreement is made solely for the purpose of avoiding the burden and expense of litigation, which would be imposed on the Parties if the disputes between them remained unsettled. This Settlement Agreement does not constitute an admission by any of the Parties hereto that they have engaged in any unlawful act. Each of the Parties hereto expressly deny that they have engaged in any unlawful act and deny liability for all claims any other Party had, has, or may have against them.

12. Construction. This Settlement Agreement shall not be construed against the Party preparing it, but shall be construed as if the Parties collectively prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

1 3 . Modifications; Waiver. This Settlement Agreement may not be modified orally. No breach of any provision hereof may be waived unless in writing. Waiver of any breach shall not be deemed to be a waiver of any other breach of the same or of any other provision hereof. All modifications to this Settlement Agreement must be in writing and signed by the Parties to be charged.

14. No Assignments.

a. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify McCall and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

b. McCall hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. McCall agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

1 5 . Attorneys' Fees. If any action is brought for the enforcement of this Settlement Agreement or in connection with any dispute arising out of it or the claims which are the subject of this Settlement Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and any other costs incurred in such litigation in addition to any other relief to which the prevailing Party may be entitled.

16. Advice of Counsel. Each Party to this Settlement Agreement has had the opportunity to discuss the matter with legal counsel, and enters into this Settlement Agreement only after such consultation.

17. Waiver of Jury Trial. **EACH PARTY EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SETTLEMENT AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

18. Notices. All notices and other communications hereunder shall be in writing to the Parties at the addresses specified on the signature pages hereto.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Settlement Agreement to be duly executed and delivered as of the date set forth above.

VICTORY ENERGY CORPORATION

By:/s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address:

MCCALL LAW FIRM

By:/s/ Davd McCall
Name: David McCall
Title: Partner

Address:

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this " **Settlement Agreement**") dated August 21, 2017, among **VICTORY ENERGY CORPORATION**, a Nevada corporation ("**Victory**"); **RON ZAMBER** ("**Zamber**"); and **GREG JOHNSON** ("**Johnson**"). Victory, Zamber and Johnson are referred to individually as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. On the date hereof, Victory and Armacor Victory Ventures, LLC, a Delaware limited liability company (" **Armacor**") entered into a transaction agreement (the "**Transaction Agreement**") and anticipate closing (the "**Closing**") the transactions contemplated by the Transaction Agreement on or about the date hereof.

B. The Transaction Agreement provides, among other things, that all obligations of Victory to Zamber, Johnson and their affiliates to repay indebtedness for borrowed money, which totals Five Hundred Twenty Thousand, Eight Hundred Dollars ($520,800), with Three Hundred Seventy Thousand, Eight Hundred Dollars ($370,800) of such Indebtedness being owed to Zamber and One Hundred Fifty Thousand Dollars ($150,000) of such Indebtedness being owed to Johnson, including all accrued, but unpaid, interest thereon (collectively, the "**Indebtedness**"), shall be converted into shares of Victory's Series C Preferred Stock (the "**Series C Preferred Stock**") at the Closing. The Parties wish to resolve their respective claims under the Indebtedness without admitting liability therefor, and in order to avoid the uncertainty, expense, and burden of litigation.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties hereto, intending to be legally bound hereby agree as follows:

1. Issuance of Series C Preferred Stock . For and in satisfaction of the Indebtedness and the mutual promises and releases contained herein upon execution of this Settlement Agreement, Victory shall, at the Closing, immediately issue 46,699.9368965913 shares of Series C Preferred Stock to Zamber and 18,891.5602332489 shares of Series C Preferred Stock to Johnson, in each case, at a rate of $7.94005355555556 per share of Series C Preferred Stock for a total of Five Hundred Twenty Thousand Eight Hundred Dollars ($520,800) of Series C Preferred Stock. The Series C Preferred Stock has the rights, preferences, and limitations specified in the Certificate of Designation of the Series C Preferred Stock in the form attached hereto as **Exhibit A**.

2. Releases.

a . Release by Zamber. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Zamber hereby releases and discharges Victory and all of its successor(s), predecessor(s)-in-interest, subsidiaries, related and affiliated companies and entities, and each of the foregoing companies' and entities' respective divisions, officers, directors, shareholders,

partners, limited partners, joint ventures, agents, employees, representatives, independent contractors, payroll companies, attorneys, insurers, licensees and assigns, past, present or future ("**Released Parties**") from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that Zamber has against Released Parties as of the date of this Settlement Agreement, except that any matter related to the enforceability or performance of this Settlement Agreement is not released and Zamber is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by Zamber, or any of his affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by Zamber, or any such affiliates.

b. Release by Johnson. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Johnson hereby releases and discharges Victory and the Released Parties from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that Johnson has against Released Parties as of the date of this Settlement Agreement, except that any matter related to the enforceability or performance of this Settlement Agreement is not released and Johnson is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by Johnson, or any of his affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by Johnson, or any such affiliates.

c. Release by Victory. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Victory hereby releases and discharges Zamber and Johnson from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, that Victory has against Zamber or Johnson as of the date of this Settlement Agreement arising out of or relating to the Indebtedness, but excluding any matter related to the enforceability or performance of this Settlement Agreement.

d. Release of Unknown Claims. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of the date of this Settlement Agreement, but they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect its decision to enter into this Settlement Agreement. The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Settlement Agreement.

3. Waiver of Suit. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree to waive, release, promise and agree not to bring or pursue any judicial, quasi-judicial or administrative action against any of the other Parties for any reason whatsoever arising out any matter released hereunder up to and including the date of this Settlement Agreement, including, without limitation, any claim released by this Settlement Agreement. Each Party further acknowledges and agrees that it has not already filed or otherwise commenced any such action.

4. Termination of Existing Contracts; Unwinding of Armacor Transaction .

a. Upon the execution of this Settlement Agreement, any contracts, notes or other forms of indebtedness of Victory to Zamber or Johnson shall be terminated and neither Zamber nor Johnson nor Victory shall have any duties, rights, obligations or benefits thereunder, including without limitation, the right of Zamber or Johnson to receive compensation pursuant to any contracts, notes or other forms of indebtedness.

b. If Armacor exercises it Right to Unwind (as defined in the Transaction Agreement) pursuant to Section 3 of the Transaction Agreement, then the Parties shall work together to mutually agree upon the steps to be taken to unwind the transactions contemplated by this Settlement Agreement.

5. Representations and Warranties.

a. Zamber represents that he has the requisite power to enter into this Settlement Agreement and to carry out his obligations hereunder.

b. Johnson represents that he has the requisite power to enter into this Settlement Agreement and to carry out his obligations hereunder.

c. Victory represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors, and that the requisite approvals have been obtained, prior to its execution.

d. Each Party represents that this Settlement Agreement has been duly executed and delivered and constitutes a valid and binding obligation enforceable in accordance with its terms.

e. Zamber represents that he understands that none of the shares of Series C Preferred Stock or shares of Victory common stock into which they are convertible (collectively, the "**Securities**") have been registered under the Securities Act of 1934, as amended (the " **Securities Act**"), or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. Zamber is a resident of or is located in the jurisdiction set forth in Zamber's address on his signature page hereto. Zamber understands that his acquisition of the Securities involves a high degree of risk and that he may lose his entire investment in the Securities. Zamber is a sophisticated party that has the ability to protect his own interests and conduct his own due diligence without being provided a private placement memorandum or similar disclosure document. Zamber is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

f. Johnson represents that he understands that none of the Securities have been registered under the Securities Act or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. Johnson is a resident of or is located in the jurisdiction set forth in Johnson's address on his signature page hereto. Johnson understands that his acquisition of the Securities involves a high degree of risk and that he may lose his entire investment in the Securities. Johnson is a sophisticated party that has the ability to protect his own interests and conduct his own due diligence without being provided a private placement memorandum or similar disclosure document. Johnson is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

6. Entire Agreement. This Settlement Agreement constitutes the entire, exclusive and final agreement among the Parties and supersedes any and all prior agreements, discussions, representations and warranties among the Parties with respect to the matters set forth herein. The Parties have not relied upon any statements or representations made by any Party outside the content of this Settlement Agreement.

7. Choice of Law and Jurisdiction. The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Settlement Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Settlement Agreement shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8. Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9. Severability. If any provision of this Settlement Agreement is determined to be unlawful or otherwise unenforceable, the remaining provisions of this Settlement Agreement shall nevertheless continue in full force and effect.

10. Parties in Interest; Assignment. This Settlement Agreement is binding upon the Parties and their respective successors, heirs, legal representatives and permitted assigns.

11. No Admission of Liability or Wrongdoing. This Settlement Agreement and the negotiations and discussions leading up to this Settlement Agreement effect the settlement of claims which are denied and contested, and do not constitute, nor shall they be construed as, an admission of liability by the Parties. This Settlement Agreement is made solely for the purpose of avoiding the burden and expense of litigation, which would be imposed on the Parties if the disputes between them remained unsettled. This Settlement Agreement does not constitute an admission by any of the Parties hereto that they have engaged in any unlawful act. Each of the Parties hereto expressly

deny that they have engaged in any unlawful act and deny liability for all claims any other Party had, has, or may have against them.

12. Construction. This Settlement Agreement shall not be construed against the Party preparing it, but shall be construed as if the Parties collectively prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

13. Modifications; Waiver. This Settlement Agreement may not be modified orally. No breach of any provision hereof may be waived unless in writing. Waiver of any breach shall not be deemed to be a waiver of any other breach of the same or of any other provision hereof. All modifications to this Settlement Agreement must be in writing and signed by the Parties to be charged.

14. No Assignments.

a. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify Zamber and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

b. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify Johnson and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

c. Zamber hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Zamber agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

d. Johnson hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Johnson agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

15. Attorneys' Fees. If any action is brought for the enforcement of this Settlement Agreement or in connection with any dispute arising out of it or the claims which are the subject of this Settlement Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and any other costs incurred in such litigation in addition to any other relief to which the prevailing Party may be entitled.

16. Advice of Counsel. Each Party to this Settlement Agreement has had the opportunity to discuss the matter with legal counsel, and enters into this Settlement Agreement only after such consultation.

17. Waiver of Jury Trial. **EACH PARTY EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SETTLEMENT AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

18. Notices. All notices and other communications hereunder shall be in writing to the Parties at the addresses specified on the signature pages hereto.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed and delivered as of the date set forth above.

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address: _____

_____
_____

RON ZAMBER

By: /s/ Ron Zamber

Address: _____

_____
_____

GREG JOHNSON

By: /s/ Greg Johnson

Address: _____

_____
_____

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this " **Settlement Agreement**") dated August 21, 2017, among **VICTORY ENERGY CORPORATION**, a Nevada corporation ("**Victory**"); **RON ZAMBER** ("**Zamber**"); and **KIM RUBIN HILL** ("**Hill**"). Victory, Zamber and Hill are referred to individually as a "**Party**" and, collectively, as the " **Parties**."

RECITALS

A. On the date hereof, Victory and Armacor Victory Ventures, LLC, a Delaware limited liability company (" **Armacor**") entered into a transaction agreement (the "**Transaction Agreement**") and anticipate closing (the "**Closing**") the transactions contemplated by the Transaction Agreement on or about the date hereof.

B. The Transaction Agreement provides, among other things, that all obligations of Victory to Zamber and Hill to repay indebtedness for borrowed money, which totals Fifteen Thousand Dollars ($15,000) of such Indebtedness being owed to Zamber and Twenty Thousand Dollars ($20,000) of such Indebtedness being owed to Hill, plus all accrued, but unpaid, interest thereon (collectively, the "**Indebtedness**"), shall be converted into shares of Victory's Series C Preferred Stock (the "**Series C Preferred Stock**") at the Closing. The Parties wish to resolve their respective claims under the Indebtedness without admitting liability therefor, and in order to avoid the uncertainty, expense, and burden of litigation.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties hereto, intending to be legally bound hereby agree as follows:

1. Issuance of Series C Preferred Stock . For and in satisfaction of the Indebtedness and the mutual promises and releases contained herein upon execution of this Settlement Agreement, Victory shall, at the Closing, immediately issue 1,889.1560233248900 shares of Series C Preferred Stock to Zamber and 2,518.8746977665200 shares of Series C Preferred Stock to Hill, in each case, at a rate of $7.9400535555555600 per share of Series C Preferred Stock for a total of Thirty-Five Thousand Dollars ($35,000) of Series C Preferred Stock. The Series C Preferred Stock has the rights, preferences, and limitations specified in the Certificate of Designation of the Series C Preferred Stock in the form attached hereto as **Exhibit A**.

2. Releases.

a . Release by Zamber. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Zamber hereby releases and discharges Victory and all of its successor(s), predecessor(s)-in-interest, subsidiaries, related and affiliated companies and entities, and each of the foregoing companies' and entities' respective divisions, officers, directors, shareholders, partners, limited partners, joint ventures, agents, employees, representatives, independent contractors, payroll companies, attorneys, insurers, licensees and assigns, past, present or future

("**Released Parties**") from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that Zamber has against Released Parties as of the date of this Settlement Agreement, except that any matter related to the enforceability or performance of this Settlement Agreement is not released and Zamber is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by Zamber, or any of his affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by Zamber, or any such affiliates.

b . Release by Hill. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Hill hereby releases and discharges Victory and the Released Parties from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, whether known or unknown, including the Indebtedness, that Hill has against Released Parties as of the date of this Settlement Agreement, except that any matter related to the enforceability or performance of this Settlement Agreement is not released and Hill is not releasing or otherwise discharging Victory of any obligations that Victory may have resulting from the ownership by Hill, or any of her affiliates, of any capital stock, options to purchase capital stock or warrants to purchase capital stock held by Hill, or any such affiliates.

c . Release by Victory. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Victory hereby releases and discharges Zamber and Hill from all obligations, debts, liabilities, torts, covenants, contracts or causes of action of any kind whatsoever, at law or in equity, that Victory has against Zamber or Hill as of the date of this Settlement Agreement arising out of or relating to the Indebtedness, but excluding any matter related to the enforceability or performance of this Settlement Agreement.

d . Release of Unknown Claims. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of the date of this Settlement Agreement, but they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect its decision to enter into this Settlement Agreement. The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Settlement Agreement.

3 . Waiver of Suit. For the consideration and mutual promises specified herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree to waive, release, promise and agree not to bring or pursue any judicial, quasi-judicial or administrative action against any of the other Parties for any reason whatsoever arising out any matter released hereunder up to and including the date of this Settlement Agreement, including, without limitation, any claim released by this Settlement Agreement. Each Party further acknowledges and agrees that it has not already filed or otherwise commenced any such action.

4. Termination of Existing Contracts; Unwinding of Armacor Transaction .

a. Upon the execution of this Settlement Agreement, any contracts, notes or other forms of indebtedness of Victory to Zamber or Hill shall be terminated and neither Zamber nor Hill nor Victory shall have any duties, rights, obligations or benefits thereunder, including without limitation, the right of Zamber or Hill to receive compensation pursuant to any contracts, notes or other forms of indebtedness.

b. If Armacor exercises it Right to Unwind (as defined in the Transaction Agreement) pursuant to Section 3 of the Transaction Agreement, then the Parties shall work together to mutually agree upon the steps to be taken to unwind the transactions contemplated by this Settlement Agreement.

5. Representations and Warranties.

a. Zamber represents that he has the requisite power to enter into this Settlement Agreement and to carry out his obligations hereunder.

b. Hill represents that she has the requisite power to enter into this Settlement Agreement and to carry out her obligations hereunder.

c. Victory represents that it has the requisite power to enter into this Settlement Agreement and to carry out its obligations hereunder and that the terms of this Settlement Agreement have been fully disclosed to its Directors, and that the requisite approvals have been obtained, prior to its execution.

d. Each Party represents that this Settlement Agreement has been duly executed and delivered and constitutes a valid and binding obligation enforceable in accordance with its terms.

e. Zamber represents that he understands that none of the shares of Series C Preferred Stock or shares of Victory common stock into which they are convertible (collectively, the "**Securities**") have been registered under the Securities Act of 1934, as amended (the " **Securities Act**"), or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. Zamber is a resident of or is located in the jurisdiction set forth in Zamber's address on his signature page hereto. Zamber understands that his acquisition of the Securities involves a high degree of risk and that he may lose his entire investment in the Securities. Zamber is a sophisticated party that has the ability to protect his own interests and conduct his own due diligence without being provided a private placement memorandum or similar disclosure document. Zamber is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

f. Hill represents that she understands that none of the Securities have been registered under the Securities Act or under the "blue sky" or similar laws of any jurisdiction, that the Securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will bear a restrictive legend accordingly, and that the Securities may be resold only if registered pursuant to the provisions of the Securities Act and such other laws, if applicable, or if an exemption from registration is available. Hill is a resident of or is located in the jurisdiction set forth in Hill's address on her signature page hereto. Hill understands that her acquisition of the Securities involves a high degree of risk and that she may lose her entire investment in the Securities. Hill is a sophisticated party that has the ability to protect her own interests and conduct her own due diligence without being provided a private placement memorandum or similar disclosure document. Hill is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

6. Entire Agreement. This Settlement Agreement constitutes the entire, exclusive and final agreement among the Parties and supersedes any and all prior agreements, discussions, representations and warranties among the Parties with respect to the matters set forth herein. The Parties have not relied upon any statements or representations made by any Party outside the content of this Settlement Agreement.

7. Choice of Law and Jurisdiction. The laws of the State of Texas shall apply to and control any interpretation, construction, performance or enforcement of this Settlement Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Settlement Agreement shall be the State or Federal courts located in Travis County, Texas and the Parties hereby waive any challenge to personal jurisdiction or venue in that court.

8. Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9. Severability. If any provision of this Settlement Agreement is determined to be unlawful or otherwise unenforceable, the remaining provisions of this Settlement Agreement shall nevertheless continue in full force and effect.

10. Parties in Interest; Assignment. This Settlement Agreement is binding upon the Parties and their respective successors, heirs, legal representatives and permitted assigns.

11. No Admission of Liability or Wrongdoing. This Settlement Agreement and the negotiations and discussions leading up to this Settlement Agreement effect the settlement of claims which are denied and contested, and do not constitute, nor shall they be construed as, an admission of liability by the Parties. This Settlement Agreement is made solely for the purpose of avoiding the burden and expense of litigation, which would be imposed on the Parties if the disputes between them remained unsettled. This Settlement Agreement does not constitute an admission by any of the Parties hereto that they have engaged in any unlawful act. Each of the Parties hereto expressly

deny that they have engaged in any unlawful act and deny liability for all claims any other Party had, has, or may have against them.

12. Construction. This Settlement Agreement shall not be construed against the Party preparing it, but shall be construed as if the Parties collectively prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

13. Modifications; Waiver. This Settlement Agreement may not be modified orally. No breach of any provision hereof may be waived unless in writing. Waiver of any breach shall not be deemed to be a waiver of any other breach of the same or of any other provision hereof. All modifications to this Settlement Agreement must be in writing and signed by the Parties to be charged.

14. No Assignments.

a. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify Zamber and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

b. Victory hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Victory agrees to defend and indemnify Hill and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

c. Zamber hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Zamber agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

d. Hill hereby represents and warrants that there has been no assignment or transfer whatsoever of any of the claims released herein. Hill agrees to defend and indemnify Victory and the other persons and entities released herein against any claim based upon, arising out of or in connection with any such assignment or transfer.

15. Attorneys' Fees. If any action is brought for the enforcement of this Settlement Agreement or in connection with any dispute arising out of it or the claims which are the subject of this Settlement Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and any other costs incurred in such litigation in addition to any other relief to which the prevailing Party may be entitled.

16. Advice of Counsel. Each Party to this Settlement Agreement has had the opportunity to discuss the matter with legal counsel, and enters into this Settlement Agreement only after such consultation.

17. Waiver of Jury Trial. **EACH PARTY EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SETTLEMENT AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

18. Notices. All notices and other communications hereunder shall be in writing to the Parties at the addresses specified on the signature pages hereto.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed and delivered as of the date set forth above.

VICTORY ENERGY CORPORATION

By: /s/ Kenneth Hill
Name: Kenneth Hill
Title: Chief Executive Officer

Address: _____

RON ZAMBER

By: /s/ Ron Zamber

Address: _____

KIM RUBIN HILL

By: /s/ Kim Rubin Hill

Address: _____

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "Agreement") is entered into as of August 21, 2017, by and between Victory Energy Corporation ("Company") and Kenneth E. Hill ("Executive").

WITNESSETH:

WHEREAS, Executive was appointed on January 1, 2012 as the Chief Executive Officer, Secretary and Treasurer of the Company;

WHEREAS, effective January 7, 2012, the Company and the Executive entered into an Employment Agreement (the "Prior Agreement"), which this Agreement amends, replaces and supersedes in its entirety as of the Effective Date of this Agreement (as defined herein); and

WHEREAS, the Company wishes to assure itself of the services of Executive for the period provided in this Agreement, and Executive is willing to perform services for the Company for such period, upon the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Term. The three-year term of employment under this Agreement commences and this Agreement shall be effective as of the date hereof (the "Effective Date") and shall terminate on the third anniversary of the date hereof, unless sooner terminated in accordance with the terms hereof (the "Initial Term"); provided that on the third anniversary of the date and on each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall automatically renew for additional one year periods, unless the Company or Executive gives written notice to the other of non-renewal of this Employment Agreement within a 30-day period immediately prior to the applicable Renewal Date. Should the Company provide notice to the Executive of non-renewal, the Executive shall be considered to have been terminated without Cause and shall be entitled to the benefits as outlined herein in Section 5(c). The period during which Executive is employed by the Company hereunder is hereinafter referred to as the "Term."

2. Employment Duties. During the Term, Executive shall be employed by Company, and the Executive shall serve, as the Company's Chief Executive Officer and shall have such duties, responsibilities and authority as shall be consistent with that position. In addition to the above, the Executive shall serve also as the interim Treasurer and Corporate Secretary until such time as a suitable replacement has been appointed by the Company's Board of Directors. The Executive shall also be nominated as a candidate to serve on the Company's Board of Directors at each stockholder meeting at which directors are elected during the Term.

3. Compensation; Benefits

a. Base Salary. During the Term, Executive shall receive an annual salary ("Base Salary") at the rate of $250,000 payable in equal semi-monthly installments in accordance with the Company's customary payroll practices and applicable wage payment laws.

b. Equity. In consideration of Executive entering into this Agreement and as an inducement to continue to be employed by the Company, the Company is, on the date hereof and pursuant to the option agreement in the form attached hereto as Exhibit A, hereby granting to the Executive an option to purchase 7,500,000 shares of the Company's common stock, which is $300,000 divided by the closing price per share of the Company's common stock on the date hereof. The option shall have an exercise price equal to the closing price per share of the Company's common stock on the date hereof and contain a cashless exercise provision. The option shall contain standard anti-dilution language that requires an adjustment to the exercise price and number of shares underlying the option upon a split or reverse split of the Company's common stock.

c. Annual Bonus. The Executive and the Board will by mutual agreement determine the goals by which an annual bonus is to be determined.

d. Compensation Review. At least annually, and no later than the 1st day of November of each year, the Board shall review the Base Salary, bonus, and other compensation of Executive based upon performance and other factors deemed appropriate by the Compensation Committee of the Board or the Board, as applicable, and make such increases, supplemental bonus payments, or other incentive awards as it deems fit.

e. Fringe Benefits. In addition to the Base Salary, bonus and other compensation described in this Section 3, Executive shall be entitled to receive any fringe benefits (whether subsidized in part, or paid for in full by Company including, but not limited to, medical, dental, life and disability insurance, and 401(k) Savings and Retirement Plan, which the Company now, or in the future, pays or subsidizes for any of its professional/technical or management employees, or employees in the same class as Executive.

4. Termination.

a. Death. The Term and Executive's employment hereunder shall terminate upon Executive's death.

b. Disability. In the event Executive incurs a Disability for a continuous period exceeding ninety (90) days, the Company may, at its election, terminate the Term and Executive's employment by giving Executive a notice of termination as provided in Section 4(e). The term "Disability" as used in this Agreement shall mean the inability of Executive to substantially perform his duties under this Agreement, as a result of a physical or mental illness or personal injury he has incurred, as determined by an independent

physician selected with the approval of the Company and Executive or his personal representative.

c. Cause. The Company may terminate this Agreement at any time during the Term and discharge Executive for Cause by giving Executive a notice of termination as provided in Section 4(e). "Cause" shall mean:

i. Executive's misappropriation or theft of the Company's or any of its subsidiary's funds or property;

ii. Executive's willful or habitual breach of Executive's employment duties, provided that the Company shall give Executive notice of such breach and Executive shall not have cured such breach within thirty (30) days of such notice;

iii. Executive's willful misconduct that causes material harm to the Company, or any fraud, dishonesty, deliberate injury or intentional material misrepresentation by Executive to the Company;

iv. Executive's conviction of, or plea of guilty or nolo contendere to, any felony or to any crime involving dishonesty or moral turpitude; or

v. Executive's complete and total abandonment of his duties hereunder for a period of thirty consecutive days (other than for reason of Disability).

d. Good Reason. Executive may terminate his employment and the Term at any time for Good Reason by giving written notice as provided in Section 4(e), which shall set forth in reasonable detail the facts and circumstances constituting Good Reason. "Good Reason" shall mean the occurrence of any of the following during the Term; provided, however, that such termination may only be effected if such written notice is delivered to the Company within thirty (30) days of the event or circumstances purporting to constitute Good Reason:

i. without the consent of Executive, the Company materially reduces Executive's title, duties or responsibilities under Section 2 or Executive's Base Salary without the same being corrected within 30 days after being given written notice thereof;

ii. without the consent of Executive, the Company changes Executive's principal employment location more than 50 miles without the same being corrected within 30 days after being given written notice thereof

iii. the Company fails to pay any regular semi-monthly installment of Base Salary to Executive and such failure to pay continues for a period of more than 30 days;

iv. the Company breaches Section 8 without the same being corrected within 30 days after being given written notice thereof;

v. any material breach by the Company of any material provision of this Agreement or any material provision of any other agreement between Executive and the Company, which material breach is not cured within the 30 days after the Company being given written notice thereof; or

vi. the refusal to assume this Agreement by any successor or assign of the Company as provided in Section 8.

e. Other Termination. The Company may at any time written notice to the Executive terminate the Term and the Executive's employment hereunder other than pursuant to Section 4(a), 4(b), or 4(c) hereof. The Executive may at any time upon written notice to the Company terminate the Term and the Executive's employment hereunder other than for Good Reason.

f. Notice of Termination. Any termination of this Agreement by the Company (other than for Cause) or by Executive shall be communicated in writing to the other party at least 30 days before the date on which such termination is proposed to take effect. Any termination of this Agreement by the Company for Cause shall be communicated in writing to the Executive and such termination shall be effective immediately upon receipt of such notice. With respect to any termination of this Agreement by the Company for Cause or by the Executive for Good Reason, such notice shall set forth in detail the facts and circumstances alleged to provide a basis for such termination.

5. Payments Upon Termination.

a. Death or Disability. If Executive's employment shall be terminated by reason of death or Disability, the Company shall pay Executive's estate or Executive the portion of the Base Salary which would have been payable to Executive through the date his employment is terminated; plus, any other amounts earned, accrued or owing as of the date of death or Disability of Executive but not yet paid to Executive under Section 3. In the event of the death or Disability of the Executive, then any payment due under this Section 5(a) shall be made to Executive's estate, heirs, executors, administrators, or personal or legal representatives, as the case may be.

b. Cause and Voluntary Termination. If Executive's employment shall be terminated for Cause or the Executive terminates his employment (other than for Good Reason, death or Disability), then without waiving any rights or remedies by reason thereof:

i. the Company shall pay Executive his Base Salary under Section 3 through the date of termination; and

ii. except as otherwise provided in this subsection (b), the Company shall have no further obligations to Executive under this Agreement.

c. Other Than For Cause. If Executive's employment is terminated by the Company (other than as a result of death, Disability or Cause as specified in Section 5(a) or (b) above) or is terminated by Executive for Good Reason, Executive shall be entitled to the following:

i. a lump sum payment in an amount equal to product of (A) the Base Salary under this Agreement and bonus paid to Executive during the immediately preceding twelve month period ending on the date of termination of employment, multiplied by (B) fifty percent (50%).

ii. notwithstanding the above, if Executive's termination of employment by the Company or the Executive is within 6 months before or 24 months following the occurrence of a Change of Control (as defined in Section 6 below), such lump sum payment shall be equal to product of (A) the Base Salary under this Agreement and the maximum Bonus under this Agreement, multiplied by (B) one hundred percent (100%); and all stock options shall immediately vest.

iii. all Base Salary earned, accrued or owing through the date his employment is terminated but not yet paid to Executive under Section 3;

iv. continued participation in all employee benefit plans, programs or arrangements available to the Company executives in which Executive was participating on the date of termination until the earliest of (but only to the extent the terms of such benefit plans, programs or arrangements permit such continued participation):

1. the second anniversary of the date of Executive's termination of employment, provided that if Executive's termination of employment by the Company or the Executive is within 6 months before or 24 months following the occurrence of a Change of Control, then Executive shall be entitled to continue to participate in such employee benefit plans, programs or arrangements until the third anniversary of the date of Executive's termination of employment; the date this Agreement would have expired (with timely written notice) but for the occurrence of the date of termination; or

2. the date, or dates, the Executive receives coverage and benefits under the plans, programs and arrangements of a subsequent employer (such coverages and benefits to be determined on a coverage-by- coverage, or benefit-by-benefit, basis); provided that if Executive is precluded from continuing his participation in any employee benefit plan, program or arrangement as provided in this clause (iv), the Company shall provide him with similar benefits provided under the plan, program or

arrangement in which he is unable to participate for the period specified in this clause (iv).

v. The payment of the lump sum amount under Section 5(c)(i) or 5(c)(ii) shall be made on or before the earlier of the date ending on the expiration of three months following the date of termination of Executive's employment or the death of the Executive. To the extent any payment under Section 5(c)(i) or 5(c)(ii) is deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, then such payment shall be made on or before the earlier of the date ending on the expiration of six months following the date of termination of Executive's employment or the death of the Executive.

vi. Executive or Executive's estate, heirs, executors, administrators, or personal or legal representatives, as the case may be, shall be entitled to three years from the date of Executive's termination of employment to exercise all options granted to him that are vested and exercisable. All such options not exercised within such three-year period shall be forfeited. All options and restricted stock that are not vested and exercisable pursuant to this Agreement or otherwise as of the date of, or as a result of, Executive's termination of employment shall be forfeited.

vii. In the event of the death or Disability of the Executive following the termination of the Executive under this Section 5(c), then any payment due under this Section 5(c) shall be made to Executive's estate, heirs, executors, administrators, or personal or legal representatives, as the case may be.

Notwithstanding anything to the contrary contained in this Section 5(c) or elsewhere in this Agreement, the Company shall not be obligated to pay to the Executive any amounts under this Section 5(c) (other than the amounts provided for in 5(c)(iii)) unless and until the Executive delivers to the Company a release that releases the Company from any and all claims and liabilities (including liability for unknown claims) that the Executive may have against the Company that is in form and substance reasonably satisfactory to the Company.

6. Change of Control. For purposes of this Agreement, a "Change of Control" shall mean the consummation or occurrence of one or more of the following:

a. the acquisition by any individual, entity or group of more than forty percent (40%) of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (B) any acquisition by Executive, by any group of persons consisting of relatives within the second degree of consanguinity or affinity of Executive or by any affiliate of

Executive, (C) any acquisition by an entity pursuant to a reorganization, merger or consolidation, unless such reorganization, merger or consolidation constitutes a Change of Control under clause (b) of this Section 6, or (D) any transactions contemplated by that certain Transaction Agreement of even date herewith between the Company and Armacor Victory Ventures, LLC;

b. the consummation of a reorganization, merger or consolidation, unless following such reorganization, merger or consolidation sixty percent (60%) or more of the combined voting power of the then-outstanding voting securities of the entity resulting from such reorganization, merger or consolidation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Voting Securities immediately prior to such reorganization, merger or consolidation;

c. the (i) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or (ii) sale or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, unless the successor entity existing immediately after such sale or disposition is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Voting Securities immediately prior to such sale or disposition; or

d. the Board adopts a resolution to the effect that, for purposes hereof, a Change of Control has occurred.

Notwithstanding the foregoing, a Change of Control will not occur unless such transaction constitutes a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets under Section 409A.

7. Section 280G.

a. 280 G Payments. If any of the payments or benefits received or to be received by Executive (including, without limitation, any payment or benefits received in connection with a Change of Control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), the Company shall pay to the Executive, no later than the time such Excise Tax is required to be paid by Executive or withheld by the Company, an additional amount equal to the sum of the Excise Tax payable by the Executive, plus the amount necessary to put Executive in the same after-tax position (taking into account any and all applicable federal, state, and local excise, income, or other taxes at the highest applicable rates on

such 280G Payments and on any payments under this Agreement or otherwise) as if no Excise Tax had been imposed.

b. Calculations. All calculations and determinations under this Section 7 will be made by an independent accounting firm or independent tax counsel appointed by the Company (the ”Tax Counsel”) whose determinations will be conclusive and binding on the Company and Executive for all purposes. For purposes of making the calculations and determinations required by this Section 7, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section 7. The Company will bear all costs the Tax Counsel may reasonably incur in connection with its services.

8. Indemnification.

a. Indemnification by Company. The Company shall indemnify and hold Executive harmless to the maximum extent permitted by law against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys’ fees incurred by Executive, in connection with the defense of, or as a result of, any action or proceeding (or any appeal from any action or proceeding) in which Executive is made or is threatened to be made a party by reason of the fact that Executive is or was an officer or Director of the Company, regardless of whether such action or proceeding is one brought by or in the right of the Company, to procure a judgment in its favor (or other than by or in the right of the Company).

b. Advance Payment. Notwithstanding anything in the Company's Articles of Incorporation, the by-laws or this Agreement to the contrary, if so requested by Executive, the Company shall advance any and all Expenses (as defined below) to Executive ("Expense Advance"), within 15 days following the date of such request and the receipt of a written undertaking by or on behalf of Executive to repay such Expense Advance if a judgment or other final adjudication adverse to Executive (as to which all rights of appeal therefrom have been exhausted or lapsed) establishes that Executive, with respect to such Claim, is not eligible for indemnification. "Expenses" shall include attorneys' fees and all other costs, charges and expenses paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in any Claim relating to any indemnifiable event. A "Claim" shall include any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative or other, including without limitation, an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, whether predicated on foreign, federal, state or local law and whether formal or informal.

9. Binding Agreement; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Executive and the Company and their respective heirs, legal representatives and permitted successors and assigns. If the Company shall at any time be merged or consolidated into or with any other entity, the provisions of this Agreement shall survive any such transaction and shall be binding on and inure to the benefit and responsibility of the entity resulting from such merger or consolidation (and this provision shall apply in the event of any subsequent merger or consolidation), and the Company, upon the occasion of the above-described transaction, shall include in the appropriate agreements the obligation that the payments herein agreed to be paid to or for the benefit of Executive, his beneficiaries or estate, shall be paid.

10. Dispute Resolution. Any controversy or claim arising with regard to this Agreement shall be settled by expedited arbitration in accordance with the provisions of the Texas Arbitration Act. The controversy or claim shall be submitted to an arbitrator appointed by the presiding judge of the Travis County, Texas Judicial District Court. The decision of the arbitrator shall be final and binding upon the parties hereto and shall be delivered in writing signed by the arbitrator to each of the parties hereto. Any appeal arising out of the ruling of any arbitrator shall be determined in a court of competent jurisdiction in Austin, Texas, or the federal court for Austin, Texas, and each party waives any claim to have the matter heard in any other local, state, or federal jurisdiction. The prevailing party in the arbitration proceeding or in any appeal shall be entitled to recover attorney's fees, court costs and all related costs from the non-prevailing party. If the controversy or claim arises with regard to any severance or separation payment required under Section 6 of this Agreement and the arbitrator rules in favor of Executive with respect thereto, then:

a. any award or sums due and owing to Executive under the terms of this Agreement shall be increased by an amount equal to the product of one month of Executive's Base Salary in effect immediately prior to the termination of this Agreement, multiplied by (i) if such award or sums is payable under Section 5(c), then the number of 30 day periods or part thereof that has elapsed after the date ending six months after the date of Executive's termination or separation or (ii) otherwise, the number of 30 day periods or part thereof that has elapsed after the date of Executive's termination;

b. if the Company fails to comply with any such ruling of the arbitrator, or if the Company unsuccessfully appeals any such ruling of the arbitrator, then any award or sums due and owing to Executive under the terms of this Agreement shall be increased by an amount equal to the product of one month of Executive's Base Salary in effect immediately prior to the termination of this Agreement, multiplied by the number of 30 day periods or part thereof that has elapsed after the date of the arbitrator's initial decision or determination; and

c. If the arbitrator in such initial arbitration proceeding, or any court in any appeal thereof determine that Company acted in bad faith, or frivolously, in claiming "Cause" as its reason for termination of this Agreement, or in failing to offer to the Executive the severance or separation payment pursuant to Section 6 of this Agreement, then the Executive shall be entitled to receive and Company shall be ordered to pay to Executive

as a penalty an amount equal to $100,000.00 in addition to the payments required under Section 6 of this Agreement and any other amounts due under this Agreement.

11. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations and to the extent that any performance is required following termination of this Agreement. Without limiting the foregoing, Section 4 through 22 shall expressly survive the termination of this Agreement.

12. Non-assignability. Neither this Agreement nor any right or interest hereunder shall be assignable by Executive, his beneficiaries, dependents or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 12 shall preclude (a) Executive from designating a beneficiary to receive any benefit payable hereunder upon his death, or (b) the executors, administrators or other legal representatives of Executive or his estate from assigning any rights hereunder to the person or persons entitled thereto.

13. Amendments to this Agreement. Except for increases in the Base Salary and other compensation made as provided in Section 3, this Agreement may not be modified or amended except by an instrument in writing signed by the Executive and the Company. No increase in the Base Salary or other compensation made as provided in Section 3 will operate as a cancellation or termination of this Agreement.

14. Waiver. No term or condition of this Agreement shall be deemed to have been waived nor there any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

15. Severability. If, for any reason, any provision of this Agreement is held invalid, illegal or unenforceable such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement not held so invalid, illegal or unenforceable, and each such other provision shall, to the full extent consistent with law, continue in full force and effect. In addition, if any provision of this Agreement shall be held invalid, illegal or unenforceable in part, such invalidity, illegality or unenforceability shall in no way affect the rest of such provision not held so invalid, illegal or unenforceable and the rest of such provision, together with all other provisions of this Agreement, shall, to the full extent consistent with law, continue in full force and effect. If any provision or part thereof shall be held invalid, illegal or unenforceable, to the fullest extent permitted by law, a provision or part thereof shall be substituted therefor that is valid, legal and enforceable.

16. Notices. Any notice, request, or other communication required or permitted pursuant to this Agreement shall be in writing and shall be deemed duly given when received by the party to whom it shall be given or three days after being mailed by certified, registered, or express mail, postage prepaid, addressed as follows:

If to Company:	Attn: Chairman of the Board 3355 Bee Caves Road, Austin, Texas 78746
If to Executive	Mr. Kenneth Hill 11617 Woodland Hills Trail, Austin, Texas 78732

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

17. Headings. The headings of Sections are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

18. Governing Law. This Agreement has been executed and delivered in the State of Texas, and its validity, interpretation, performance and enforcement shall be governed by the laws of Texas, without giving effect to any principles of conflicts of law.

19. Withholding. All amounts paid pursuant to this Agreement shall be subject to withholding for taxes (federal, state, local or otherwise) to the extent required by applicable law.

20. Counterparts. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute one original Agreement.

21. Section 409A.

a. General Compliance. This Agreement is intended to comply with Section 409A or an exemption thereunder and will be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral will be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement will be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment will only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event will the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

b. Specified Employees. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to Executive in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit will not be paid until the first payroll date to occur following the six-month anniversary of the termination

date or, if earlier, on the Executive's death (the "Specified Employee Payment Date"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which the Executive's separation from service occurs will be paid to Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments will be paid without delay in accordance with their original schedule.

c. Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement will be provided in accordance with the following:

i. the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;

ii. any reimbursement of an eligible expense will be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

iii. any right to reimbursements or in-kind benefits under this Agreement will not be subject to liquidation or exchange for another benefit.

d. Tax Gross-ups. Any tax gross-up payments provided under this Agreement will be paid to Executive on or before December 31 of the calendar year immediately following the calendar year in which Executive remits the related taxes.

22. Entire Agreement. This Agreement contains the entire understanding between the parties hereto and as of the Effective Date supersedes the Prior Agreement and any other prior employment agreement between the Company and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive of a kind elsewhere provided and not expressly provided for in this Agreement.

IN WITNESS WHEREOF, Company has caused its duly authorized officer and directors to execute and attest to this Agreement, and Executive has placed his signature hereon, effective as of the Effective Date.

VICTORY ENERGY CORPORATION

BY: /s/ Kenneth E. Hill
Name: Kenneth E. Hill
Title: Chief Executive Officer

KENNETH E. HILL:

/s/ Kenneth E. Hill
Kenneth E. Hill

EXHIBIT A

Form of Option Agreement

VICTORY ENERGY CORPORATION

OPTION AGREEMENT

OPTION AGREEMENT (this "**Agreement**"), dated August 21, 2017, by and between **VICTORY ENERGY CORPORATION**, a Delaware corporation (the "**Company**"), and Kenneth Hill (the "**Option Holder**").

RECITAL

Pursuant to an agreement between the Company and the Option Holder, the Company agreed to grant an option to the Option Holder for the purchase of 7,500,000 shares of the Company's common stock, $0.001 par value (the "**Common Stock**").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. GRANT OF OPTION.

Subject to the terms and conditions herein, the Company hereby grants to the Option Holder an option (the "**Option**") to purchase seven million five hundred thousand (7,500,000) shares of its Common Stock (the "**Option Shares**"), at an exercise price of $0.04 per share (the "**Exercise Price**"), as may be adjusted from time to time as provided in this Agreement.

2. EXERCISE OF THE OPTION.

(a) Subject to adjustments as provided in Section 5 herein, the Option shall be cumulatively exercisable by the Option Holder in accordance with the following vesting schedule: 1/36 of the total Option Shares shall vest each month for 36 months, beginning on the first day of the month following the date hereof.

(b) The Option shall expire on August 21, 2027 subject to earlier termination as provided herein.

3. RIGHTS OF HOLDER.

The Option Holder shall not have any rights to dividends or any other rights of a stockholder with respect to any Option Shares until such shares shall have been issued to him (as evidenced by the appropriate entry on the transfer books of the Company) upon purchase of such shares upon exercise of the Option. Furthermore, nothing contained in this Agreement shall confer upon the Option Holder any right to be in the employ of the Company or its subsidiaries beyond what is called for in the Option Holder's employment agreement, if any.

4. NON-TRANSFERABILITY OF OPTION.

This Option shall not be transferable other than by will or by the laws of descent and distribution, and may be exercised during the Option Holder's lifetime only by him.

5. ADJUSTMENTS.

(a) Adjustments by the Company. In the event of a stock dividend, stock split-up, share combination, exchange of shares, recapitalization, merger, consolidation, acquisition or disposition of property or shares, reorganization, liquidation or other similar changes or transactions, by the Company during the term of the Option, the Board of Directors of the Company shall make such equitable adjustments of the number and class of shares then covered by the Option, or of the Exercise Price, or both, whose determination shall be conclusive. To the extent practicable, the Company shall give the Option Holder prior notice of any such event, provided that the failure by the Company to give such notice shall not subject the Company to any liability herein.

(b) Adjustments Due to Merger, Consolidation, Reorganization, Asset Sale, Liquidation, etc .

(i) If the Company shall be the surviving corporation in any reorganization, merger, consolidation, etc. of the Company with one or more other corporations, any then outstanding Option shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to such Option would have been entitled immediately following such reorganization, merger, consolidation, etc. with a corresponding proportionate adjustment of the Exercise Price as to which such Option may be exercised so that the aggregate Exercise Price as to which such Option may be exercised shall be the same as the aggregate Exercise Price as to which such Option may be exercised for the shares remaining subject to the Option immediately prior to such reorganization, merger, consolidation, etc.

(ii) In the event of a merger or consolidation in which the Company is not the surviving corporation, or sale of all or substantially all of the assets of the Company in which outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or business entity or in the event of a liquidation of the Company (collectively, a "**Corporate Transaction**"), the Board of Directors of the Company, or the board of directors of any corporation assuming the obligations of the Company, may, in its discretion, take any one or more of the following actions, as to outstanding Options: (A) provide that such Options shall be assumed, or equivalent Options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof); (B) upon written notice to the Option Holder, provide that all unexercised Options will terminate immediately prior to the consummation of such transaction unless exercised by the Option Holder within a specified period following the date of such notice; or (C) in the event of a Corporate Transaction under the terms of which holders of the Common Stock of the Company will receive upon consummation thereof a cash payment for each share surrendered in the Corporate Transaction (the "**Transaction Price**"), make or provide for a cash payment to the Option Holder equal to the difference between the Transaction Price times the number of shares of Common Stock subject to such outstanding Options (to the extent then exercisable at prices not in excess of the Transaction Price) and the aggregate Exercise Price of all such outstanding Options in exchange for the termination of such Options.

6. RESERVATION OF SHARES.

The Company shall at all times during the term of the Option reserve and keep available such number of shares of Common Stock or such other class of stock then subject to the Option as shall be sufficient to satisfy the requirements of this Agreement. The Company shall list such shares of Common Stock on the national securities exchange or automated quotation system on which the Company's Common Stock is then listed. Notwithstanding the foregoing, the Option Holder acknowledges that the Company does not currently have sufficient authorized shares of Common Stock to permit the exercise of the Option and, accordingly, the Option Holder agrees not to exercise this option until such time as the Company notifies the Option Holder that there is sufficient authorized Common Stock available to permit the exercise of the Option. The Company will use its best efforts to increase the authorized Common Stock of the Company or reverse split the outstanding Common Stock of the Company, or both, such that there will be sufficient authorized Common Stock to permit the exercise of this Option.

7. EXERCISE PROCEDURE.

(a) Procedure. The Option Holder may exercise the Option, at any time or from time to time as provided herein, by delivering to the Company a written notice duly signed by the Option Holder instructing the Company either (i) that it is exercising the Option and paying the Exercise Price and delivering to the Company along with the notice funds equal to the Exercise Price or (ii) that it desires to exercise the Option on a cashless basis and instructing the Company to withhold from the purchased Option Shares issuable upon the exercise of the Option the number of whole shares of Common Stock having a Fair Market Value (defined below), as determined by the Company, that is equal to the Exercise Price;

(b) The notice may be in form of the "Exercise of Option to Purchase Shares" attached hereto. Following receipt by the Company of such notice of exercise or full payment of the Exercise Price, the Company shall issue, as soon as practicable, a stock certificate for the purchased Option Shares, subject to Section 7(a), in the name as designated by the Option Holder and deliver the certificate to the Option Holder.

(c) For purposes of this Section 7, ***"Fair Market Value"*** means, as of any date, the value of a share of Common Stock or other property as determined by the Company, in its discretion, subject to the following:

(i) If, on such date, the Common Stock is listed or traded on a national or regional securities exchange or market system, constituting the primary market for the Common Stock, the Fair Market Value of a share of Common Stock shall be the closing sale price of a share of Common Stock (or the mean of the closing bid and asked prices of a share of Common Stock if the Common Stock is so quoted instead) on the determination date (or, if no sales occur on such date, on the last preceding date on which such sales of Common Stock are so reported) as quoted on such exchange and as reported in The Wall Street Journal, pink sheets or such other source as the Company deems reliable.

(ii) If, on such date, the Common Stock is not listed or traded on a national or regional securities exchange or market system, the Fair Market Value of a share of Common Stock shall be

as determined by the Company in its discretion using a reasonable method exercised in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and if it is determined by the Company to be applicable, in any other manner permitted in accordance with Sections 409A or 422(b) of the Internal Revenue Code of 1986, as amended, and any applicable notices, rulings and regulations promulgated thereunder, if applicable.

(c) Compliance. Notwithstanding the foregoing, the Company shall not be required to issue or deliver the stock certificate pursuant to Section 7(a) hereof until it has complied with all requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), the Securities Exchange Act of 1934, as amended, any securities exchange or automated quotation system on which the Company's Common Stock may then be listed, and all applicable state laws in connection with the issuance of the Option Shares or their listing on said securities exchange or system. When the Option Holder exercises any portion of this Option, the Option Holder shall execute and deliver to the Company an investment letter in a form satisfactory to the Company containing such representations of as may be requested by the Company in order for it to comply with the applicable requirements of federal and state securities laws. This requirement shall not apply if the Company has registered the issuance of the Option Shares under federal and state securities laws.

(d) Legend. Each certificate for the purchased Option Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS THE REGISTRATION PROVISIONS OF SAID ACT HAVE BEEN COMPLIED WITH OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED."

8. REPRESENTATIONS OF THE OPTION HOLDER.

The Option Holder hereby represents and warrants (a) that the Option Holder has been furnished with all information that the Option Holder has requested for the purpose of evaluating the Option and potential exercise of the Option in the Company's securities, (b) that the Option Holder is acquiring the Option and, upon exercise of the Option, the Common Stock, for his own account and not with a view to or for sale in connection with any distribution in any manner that would violate applicable securities laws, but without prejudice to Option Holder's rights to dispose of the Option and/or the underlying Common Stock to be purchased by the Option Holder to a transferee or transferees, in accordance with such laws if at some future time the Option Holder deems it advisable to do so, (c) the Option Holder has the financial capability of assuming the economic risk of an investment in the Company, and (d) the Option Holder is an "Accredited Investor" as that term is defined in Section 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

9. NOTICES.

Each notice relating to this Agreement shall be in writing and delivered in person or by facsimile, e-mail or certified mail to the following addresses:

If to the Company:

3355 Bee Caves Road, Suite 608
Austin, TX 78746
Attention: Chief Executive Officer
Email: Kenny@vyey.com

If the Option Holder:

Kenneth Hill
3355 Bee Caves Road, Suite 608
Austin, TX 78746

or to such other address as either party hereto may hereinafter duly give to the other.

10. Binding.
This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their successors, assigns, heirs and administrators.

11. Entire Agreement.
This Agreement constitutes the entire agreement between the parties hereto with respect to the matters herein, and cannot be amended, modified or terminated except by an agreement in writing executed by the parties hereto.

12. Governing Law.
This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada.

13. Counterparts.
This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first set forth above.

VICTORY ENERGY CORPORATION

By:_____
Name: Kenneth Hill
Title: Chief Executive Officer

OPTION HOLDER

Name: Kenneth Hill

Exercise of Option To Purchase Shares

To: Victory Energy Corporation

Pursuant to the terms Section 7(b) of the Option Agreement, dated August 21, 2017 (the " **Option Agreement**"), the undersigned hereby exercises the within Option to acquire in a cashless exercise _____ shares (the "**Shares**") of the Common Stock of Victory Energy Corporation (the " **Company**") granted under the Option Agreement.

In the event the Shares are not registered under the Securities Act of 1933, as amended, the undersigned shall provide such representations as may be required by the Company to fulfill any exemptions that may be sought under said Act. Kindly issue the certificate for the Shares in accordance with the instructions given below:

_____
Signature

Instructions for issuance of common stock:

_____
Name
_____

_____
Address

_____
Social Security Number

Victory Energy Announces Agreement for $5 Million Financing and Entry into Exclusive Sublicense with Armacor Victory Ventures

Exclusive Sublicense and Capital Infusion Expected to Transform Victory from an Exploration and Production Company into a Leading Company in the Oilfield Services Business

AUSTIN, TX-- August 22, 2017- Victory Energy Corporation (OTCQB: VYEY) ("Victory" or the "Company"), a growth stage, oil and gas exploration and production company, announced today that it is transitioning its business into a technology focused oilfield services company, and entered into a transaction and investment agreement (the "Transaction Agreement"), sublicense agreement and other related agreements with Armacor Victory Ventures, LLC ("AVV"), an affiliate of Armacor Holdings, LLC and Liquidmetal Coatings. As part of the transaction, AVV has granted to Victory a worldwide, perpetual, royalty free, fully paid up and exclusive sublicense (the "License") to all of AVV's owned and licensed intellectual property for use in the oilfield services industry, except for a tubular solutions company headquartered in France. The Liquidmetal Coatings - Armacor product line has been widely tested and down-hole validated by several large U.S. based oil and gas companies, who are currently using the product. Victory will hold a special meeting of its shareholders as soon as possible to obtain their approval of all necessary provisions of the Transaction Agreement (the "Shareholder Approval") and other Company matters. Upon Shareholder Approval, AVV is expected to contribute $5 million (the "Cash Contribution") to Victory for the development and execution of the sales and distribution business growth plan. Interim financing for the time period leading up to the shareholders meeting has also been arranged.

Kenny Hill, Victory's Chief Executive Officer commented, "Over the last 18 months, we have reviewed a variety of upstream, midstream and oil services opportunities in our search for a transformational transaction that could establish a favorable growth opportunity for Victory. We believe this alliance with Liquidmetal Coatings' affiliate, Armacor Victory Ventures, is by far the best growth path forward for our company and its shareholders. The alliance will provide Victory with a combination of patent protected products, a rapidly developing commercial marketplace and exclusive distribution rights, that we believe create an ideal opportunity to scale product sales distribution and related services quickly into the major oil and gas basins of North America (i.e., Permian Basin, Oklahoma STACK/SCOOP, Eagle Ford, etc.). To rapidly expand our distribution channels and quickly grow the company, we intend to begin acquiring already identified U.S. oilfield service companies that are recognized for their quality service in the basins they serve and with which the Liquidmetal Coatings products will align. We believe the Armacor patented brand of mid-pipe coating and RFID enclosure products will provide the perfect entry-point foundation to grow our company and allow us to play a major role in addressing the industry's need to operate more effectively in a low commodity price environment. Additional Liquidmetal Coatings products will be brought into market as they are approved by the upstream oil and gas companies who are already performing field testing. I would like to thank the Visionary Private Equity Group for the introduction to Armacor and for their significant financial support during this time."

Transaction Highlights
Victory will hold a special meeting of its shareholders as soon as possible to obtain the approval of among other things, amendments to Victory's Articles of Incorporation to effect a reverse split of Victory's common stock and an increase in the number of authorized shares of Victory's common stock, such that there will be sufficient

common stock authorized to allow for the conversion of the outstanding Series B Preferred Stock and other series of preferred stock that will be outstanding on the date of the shareholders meeting.

- Concurrent with signing of the Transaction Agreement:
  - AVV granted Victory the License, which has been independently valued at approximately $20 million;
  - Victory entered into interim funding agreements to support the company operations while awaiting shareholder approval;
  - Victory entered into agreements with its creditors regarding the orderly repayment of its remaining liabilities;
  - David McCall and Patrick Barry resigned from the Board of Directors, and the Board will be expanded to six members;
  - The reconfigured Board of Directors will include Kenny Hill, Ronald Zamber, Robert Grenley, Rick Salas, Kevin DeLeon and Julio C. Herrera;
  - Victory and Navitus Energy Group ("Navitus") entered into a divestiture agreement pursuant to which, upon obtaining Shareholder Approval, Victory will divest its 50% ownership interest in Aurora Energy Partners ("Aurora") through the sale of such interest to Navitus;
  - Each of the AVV insiders and Victory insiders entered into a lock-up and resale restriction agreement imposing transfer restrictions on the VYEY stock received in connection with the transactions contemplated by the Transaction Agreement and related agreements; and
  - Victory and Kenneth Hill, the Chief Executive Officer of Victory, entered into an amended and restated employment agreement.
- Upon obtaining Shareholder Approval:
  - AVV will fund the remaining $5 million in cash to Victory (less amounts contributed during the period prior to the Shareholders Meeting);
  - The Board of Directors of Victory will be expanded to seven members and AVV will appoint the additional member, giving AVV control of Victory;
  - The Series B Preferred Stock received by AVV will convert into common stock constituting 90% of the issued and outstanding common stock of Victory on a fully-diluted basis, after giving effect to the issuances of all securities of Victory contemplated by Transaction Agreement and related agreements; and
  - Victory will transfer its interest in Aurora to Navitus and no longer engage in the upstream oil and gas exploration and production business.

About Victory Energy

Victory Energy Corporation (VYEY), is an Austin, Texas based publicly held oil and gas exploration and production company that is in the process of transitioning to an oilfield services business. The Company has been focused on the acquisition and development of unconventional resource play opportunities in the Permian Basin, the Eagle Ford shale of South Texas and other strategically important areas that offer predictable economic outcomes and long-lived reserve characteristics. The Company holds a 50% partnership interest in Aurora Energy Partners, a Texas partnership, which it controls. Upon obtaining Shareholder Approval, this 50% interest and the corresponding producing assets will be conveyed (divested) to Navitus, Aurora's other 50% interest holder. Following the shareholder meeting and related divestiture, Victory will remain a public company, which will focus exclusively on Technology-Driven, Friction Reducing Oilfield Products and Services. For more information about the Company today, please visit www.vyey.com.

About Armacor Victory Ventures, LLC

Armacor Victory Ventures, LLC is an affiliate of Liquidmetal Coatings and the grantor of the global exclusive license to Victory Energy for products and services in oilfield services. Liquidmetal Coatings Armacor® branded materials harness a revolutionary material technology based on amorphous metal technology discovered in conjunction with NASA. Considered one of their top discoveries, it has the potential to fundamentally change the paradigm in material science and the industries for which Liquidmetal Coatings makes products. They harness this technology to produce the world's leading wear and corrosion solutions. The unique amorphous metal technology protects drill pipe, casings, and other critical assets

to a degree that competitors have historically proven unable to match. This allows oil and gas producers, drillers and even applicators to maximize their asset management and field efficiencies.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the Company based on management's experience, perception of historical trends and technical analyses, current conditions, anticipated future developments and other factors believed to be appropriate and reasonable by management. When used in this press release, the words "will," "potential," "believe," "estimated," "intend," "expect," "may," "should," "anticipate," "could," "plan," "project," or their negatives, other similar expressions or the statements that include those words, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Among these forward-looking statements are statements regarding our ability to obtain Shareholder Approval and obtain the balance of the $5 million investment from AVV, our ability to complete the divestiture of Aurora. our ability to become a major player in the oilfield services business, our ability to successfully utilize the technology licensed under the License to generate revenues and profits. Such forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements, including but not limited to, our ability to successfully compete in the oilfield services business, our ability to acquire other companies in the oilfield services industry and integrate them with our operations and realize the anticipated benefits from the acquisitions, any unexpected costs or delays, the price of oil, results of marketing and sales efforts, general economic conditions and the ability to manage and continue growth, and other factors described in the Company's most recent Annual Report on Form 10-K and any updates to those risk factors set forth in the Company's Quarterly Reports on Form 10-Q. Further information on such assumptions, risks and uncertainties is available in the Company's other filings with the Securities and Exchange Commission ("SEC") that are available on the SEC's website at www.sec.gov, and on the Company's website at www.vyey.com. Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Investor and Media Contact:
Al Petrie Advisors
Clay Jeansonne
713-824-6368
clay@alpetrie.com

Victory Energy Corporation:
Kenneth Hill - Chief Executive Officer
Phone: 512-347-7300
Kenny@vyey.com

Armacor Victory Ventures Investor and Media Contact:
Rachel Cui
Phone: 281-359-1283
Rachel.cui@liquidmetal-coatings.com