

## Victoria Gold: Fully Permitted Eagle Gold Project Feasibility Study Demonstrates Post Tax NPV of \$508M and IRR of 29.5%

- Annual Gold Production of Approximately 200,000 ozs
- Operating Cost of US\$539/oz & All-in Sustaining Cost of US\$638/oz
- Post tax Net Present Value @ (5%) = C\$508 million
- Post tax Internal Rate of Return = 29.5%
- Gold price = US\$1,250/oz & Exchange Rate = 0.78 C\$/US\$

### Gold Price Sensitivity Table

Gold Price Sensitivity							
Gold Price (US\$)	\$1,000	\$1,100	\$1,200	\$1,250	\$1,300	\$1,400	\$1,500
<b>Post Tax NPV<sub>5%</sub> (C\$)</b>	<b>212</b>	<b>331</b>	<b>449</b>	<b>508</b>	<b>567</b>	<b>683</b>	<b>800</b>
<b>Post Tax IRR</b>	<b>15.9</b>	<b>21.6</b>	<b>26.9</b>	<b>29.5</b>	<b>32.0</b>	<b>36.7</b>	<b>41.4</b>

Toronto, Ontario (September 12, 2016) -Victoria Gold Corp. (TSX-V: VIT) (“Victoria” or the “Company”) is pleased to announce the results of a National Instrument 43-101 feasibility study for its 100% owned Eagle Gold Project located on the Dublin Gulch property, Yukon. An audio/video web conference call will be held this morning at 8:00 am Eastern Time (see details below).

*“The results from this Feasibility Study highlight the exceptional quality of the Eagle Gold Project.”* stated John McConnell, President & CEO. *“Our team, working with an experienced group of consultants have optimized several key areas of the project, in particular, the heap design and incorporation of run of mine leaching of low grade material. These improvements have resulted in significant capital savings and enhanced overall project economics. Eagle is a fully permitted project in a premier jurisdiction that can produce 200,000 ounces annually with high margins and a very attractive valuation. We also believe the current and future Olive-Shamrock drilling will continue to add to this valuation.”*

The Feasibility Study was prepared under the direction of JDS Energy & Mining, an industry leading, international engineering firm, with extensive experience in both the construction and operation of mining projects in Canada’s north. The study was supported by a team of internationally recognized firms, all of whom are independent of the Company, including:

- Merit Consultants International;
- Allan Moran Geology Services;
- Dowl Engineering;
- Kappes, Cassiday & Associates;
- AllNorth Consultants; and
- SRK Consulting.

The Feasibility Study confirms the technical and financial viability of constructing and operating a 33,700 tonne/day (“tpd”) mine encompassing 2 open pits, a three-stage crushing circuit, 2 in-valley leach pads and an adsorption desorption gold recovery plant (“ADR plant”).

Highlights of the Feasibility Study	
Proven and Probable Reserves (gold oz)	1,880,000
Average annual gold production (oz, 1 <sup>st</sup> 4 full years)	210,000
Average annualized gold production (oz, LOM approximately 10 years)	190,000
Initial capital expenditure (C\$ millions)	370
Initial capital expenditure (US\$ millions)	289
Operating cost (C\$/tonne processed)	10.54
Operating cost (US\$/oz)	539
All-in sustaining cost (US\$/oz)	638

The Feasibility Study includes 1 year of construction followed by 10 years of mine operations.

### **In-Pit Mineral Resource Estimate**

The Eagle Resource used a total of 38,370 assay intervals with gold assays in 370 drill holes were used to define a wireframe with assays capped at 16.0 g/t Au. The capped gold assays were composited into 2.5 m intervals from the top of the drill hole with breaks at the wireframe boundary. Composite intervals less than 0.5 m in length were added to the composite immediately above. A block model with a cell size of 10 m x 10 m x 5 m was used for the grade estimation.

Eagle Constrained In-Pit Mineral Resource				
Classification	Cut-off Grade (g/t Au)	Tonnes (Mt)	In-Situ Grade (g/t Au)	Contained Au (koz)
Measured	0.15	30	0.81	761
Indicated	0.15	151	0.59	2,870
<b>Meas. + Ind.</b>	<b>0.15</b>	<b>181</b>	<b>0.63</b>	<b>3,631</b>
Inferred	<b>0.15</b>	<b>17</b>	<b>0.49</b>	<b>276</b>

**Notes to Table:**

1. The effective date for the Mineral Resource is September 12, 2016.
2. Mineral Resources which are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

The Olive Resource estimation used a total of 8,216 assay intervals with gold assays in 91 drill holes to define a wireframe with assays capped at 25 g/t Au. The capped gold assays were composited into 2.5 m intervals from the top of the drill hole with breaks at the wireframe boundary. Composite intervals less than 0.5 m in length were added to the composite immediately above. A block model with a cell size of 10 m x 10 m x 5 m was used for the grade estimation.

Olive Constrained In-Pit Mineral Resource				
Classification	Cut-off Grade (g/t Au)	Tonnes (Mt)	In-situ Gold (g/t Au)	Contained Au (koz)
Measured	0.4	2	1.19	75
Indicated	0.4	8	1.05	254
<b>Meas. + Ind.</b>	<b>0.4</b>	<b>10</b>	<b>1.07</b>	<b>329</b>
Inferred	<b>0.4</b>	<b>7</b>	<b>0.89</b>	<b>210</b>

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## Mineral Reserves

The Proven and Probable Mineral Reserve is the economically minable portions of the Measured and Indicated in-pit Mineral Resource as demonstrated by this feasibility study.

Eagle and Olive Mineral Reserve			
Type	Ore (Mt)	Diluted Grade (g/t)	Contained Gold (koz)
Eagle Proven	27	0.80	688
Eagle Probable	90	0.62	1,775
<b>Total Eagle</b>	<b>116</b>	<b>0.66</b>	<b>2,463</b>
Olive Proven	2	1.02	58
Olive Probable	5	0.93	142
<b>Total Olive</b>	<b>7</b>	<b>0.95</b>	<b>200</b>
<b>Total Olive + Eagle</b>	<b>123</b>	<b>0.67</b>	<b>2,663</b>

**Notes to Table:**

- The effective date for the Mineral Resource is September 12, 2016.*
- Mineral Reserves are included within Mineral Resources.*

Eagle and Olive Mineral Reserve			
Type	Ore (Mt)	Diluted Grade (g/t)	Contained Gold (koz)
Eagle Crushed Ore	101	0.72	2,330
Olive Crushed Ore	7	0.95	200
<b>Total Crushed Ore</b>	<b>108</b>	<b>0.73</b>	<b>2,530</b>
Eagle Run of Mine Ore	15	0.27	133
<b>Total</b>	<b>123</b>	<b>0.67</b>	<b>2,663</b>

**Notes to Table:**

- The effective date for the Mineral Resource is September 12, 2016.*
- Mineral Reserves are included within Mineral Resources.*

## **Mining**

Eagle and Olive are open pit mines and will operate as a drill, blast, shovel and haul operations with a combined nominal rate of 33,700 tpd ore and mine life of 10 years. Ore to be crushed will be hauled to the primary crusher located toward the north east side of the Eagle pit. Run of mine (“ROM”) ore will be hauled directly to the primary heap leach pad.

Eagle waste rock will be hauled to one of two waste rock storage areas immediately to the south and north of the open pit which results in short haul distances. Olive waste rock will be hauled to a waste rock storage area immediately south-west of the open pit. Waste rock storage will be managed to allow for future pit expansion. The ratio of waste to ore is 0.95 to 1 and total waste material is 116 million tonnes.

## **Processing**

Material above the crushed ore cut-off grades will be hauled from the open-pits to the primary crusher. Ore will be crushed at a nominal rate of 30,100 tpd. Following primary crushing, ore will be conveyed through a secondary and tertiary crushing circuit to a final crush size of P<sub>80</sub> 6.5 mm. Crushed ore will be conveyed to one of the two in-valley heap leach pads.

Ore will be stacked in 10m high lifts using a mobile conveying and stacking system then primary leached for 90 days. The pregnant solution, laden with gold once leaching is complete, will be pumped to an ADR plant where gold will be stripped from the solution and poured into doré bars. Life of mine recovery is estimated at 70.8%, including ROM ore.

Ore will be mined and primary crushed 365 days per year. Ore will be stacked on the heap leach pads 275 days per year. A primary crushed ore stockpile will be used during the coldest 90 days of the year and the stockpile will be reclaimed to the secondary crushing circuit and loaded onto the pads during the 275 day stacking period.

A total of 123 million tonnes of ore will be processed, including 108 million tonnes of crushed ore and 15 million tonnes of ROM ore. The primary heap leach pad will hold 77 million tonnes while the secondary heap leach pad will hold 46 million tonnes. The secondary heap leach pad has potential excess capacity of approximately 50 million tonnes should it be required for mine expansion.

## **Infrastructure**

The project is well supported by local infrastructure. Eagle is accessed via an existing year-round road connecting to the Silver Trail Highway. Grid power currently runs along the highway to support grid power via a spur line to be constructed along the existing access

road. A 1,400m airstrip is located in Mayo approximately 85km by road from the project site. An existing construction-ready 100-person camp is currently operational at site. A further 100-person camp recently purchased by the Company, is located in Mayo and is expected to be shipped and erected at site prior to construction. All mine site infrastructure to be built for Eagle is located within a few kilometers of the open pits.

### **Capital Costs**

The initial capital cost for Eagle is estimated (in 2016 dollars) at C\$370 million with an accuracy of +/-15%, includes contingency of C\$35.2 million and all pre-stripping. The contingency allowance was calculated on a risk-adjusted basis for each of the major capital cost categories. Indirect costs include initial fills, spares, commissioning and start-up, engineering and procurement, construction management and freight and logistics.

### Initial Capital Cost Estimate (C\$ millions)

Area	Initial Capital
Mine Equip. & Development	34.5
Site General	17.7
Process	101.3
Ancillaries	22.2
Power Supply & Distribution	15.1
Water Management	5.7
Heap Leach Pads	56.4
Owner's	8.6
Indirects	72.9
<b>Subtotal</b>	<b>334.4</b>
<i>Contingency (10.5%)</i>	35.2
<b>Total</b>	<b>369.6</b>

Life of mine sustaining capital costs are estimated at C\$183 million and closure costs are C\$35 million. Working capital costs are estimated at C\$26 million.

### Sustaining Capital Cost Estimate (C\$ millions)

Area	Sustaining Capital
Mine Equip. & Development	45.6
Site General	9.9
Ancillaries	30.3
Power Supply & Distribution	0.8
Water Management	15.0
Heap Leach Pads	81.5
<b>Total</b>	<b>183.1</b>

## Operating Costs

LOM site operating costs, are C\$10.54 per tonne processed, as summarized below:

Area	Operating Costs		
	C\$/t mined	C\$/t leached	US\$/oz payable
Mine	2.15	4.19	214
Process/leach	n/a	4.93	252
G&A	n/a	1.42	73
<b>Total</b>		<b>10.54</b>	<b>539</b>

All-in sustaining costs, not including corporate costs, are US\$638/oz of payable gold.

## Financial Analysis

Base case: consensus based long-term gold price US\$1,250/ounce gold and US\$/C\$ exchange rate of 0.78:

### Pre-tax

- Net Present Value discounted at 5% is **C\$778 million**
- Internal Rate of Return (IRR) is **37.1%**
- Payback is **2.6 years**

### Post-tax

- Net Present Value discounted at 5% is **\$508 million**
- Internal Rate of Return (IRR) is **29.5%**
- Payback is **2.8 years**

## Opportunities

There are numerous initiatives currently underway which the Company suspects may further enhance project economics, including:

- year-round stacking as is currently practiced at other northern heap leach operations;
- continued near mine exploration with a focus on the Potato Hills Trend which hosts the Olive, Shamrock and other targets;
- conversion of Inferred Mineral Resources to Indicated Mineral Resources, particularly at depth, to increase reserve potential and decrease waste; and
- further refinement of water management and water treatment to reduce potential closure costs.



**Audio/Video Webcast Details (Monday, September 12 at 8:00am Eastern):**

The audio/video web conference will include a presentation by John McConnell, Director and CEO and can be accessed at: <http://momentumstreaming.com/index.php?id=121075>

For those unable to attend the web conference or unable to hear the audio portion of the web conference, an audio teleconference can be accessed by calling:

Local / International: 416-849-3996  
North American Toll- Free: 1-866-323-9095  
Participant Passcode: 181625

John McConnell can also be seen on BNN, The Commodities Report with Andrew Bell discussing the Feasibility Study at 11:30am Eastern on Monday, September 12, 2016.

**About the Dublin Gulch Project**

Victoria Gold's 100%-owned Dublin Gulch gold property is situated in the central Yukon Territory, Canada, approximately 375 kilometers north of the capital city of Whitehorse, and approximately 85 kilometers from the town of Mayo. The Property is accessible by road year-round, and is located within Yukon Energy's electrical grid. The Company has constructed and maintains a 100-person all-season camp at the project site.

The Property covers an area of approximately 555 square kilometers, and is the site of the Company's Eagle and Olive Gold Deposits. The Eagle Gold Complex is expected to be Yukon's next operating gold mine and includes Proven and Probable Reserves of 2.7 million ounces of gold from 123 million tonnes of ore with a grade of 0.67 grams of gold per tonne, as outlined in a National Instrument 43-101 feasibility study.

**Qualified Person**

The technical content of this news release has been reviewed and approved by Paul D. Gray, P.Geo., as the Qualified Person.

**Cautionary Language and Forward-Looking Statements**

Neither the TSX Venture Exchange, nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release. This press release includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward looking statements are based

on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.

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