

Victoria Gold Reports 2021 First Quarter Results

Toronto, ON / May 14, 2021 / Victoria Gold Corp. (TSX-VGXC) (“Victoria” or the “Company”) is pleased to announce first quarter 2021 summary financial and operating results. The Company uses certain non-IFRS performance measures throughout this news release; please refer to the “Non-IFRS Performance Measures” section of this news release for more information.

All amounts are in Canadian dollars unless otherwise indicated. This release should be read in conjunction with the Company’s Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the three months ended March 31, 2021 and 2020, available on the Company’s website or on SEDAR.

Mr. John McConnell, President and CEO commented, *“As expected with seasonal ore placement on the heap leach pad, ore stacking and gold production grows quarter over quarter throughout the year. Increased ore stacking and gold production are accompanied by falling unit costs which result in higher margins and free-cash flow as the year progresses.”*

Operational Highlights – First Quarter 2021

- **Mine production** was 1.6 million tonnes of ore.
- **Ore stacked** on the heap leach pad was 1.0 million tonnes at an average grade of 0.87 grams per tonne (g/t).
- **Gold production** was 26,759 ounces.

Financial Highlights – First Quarter 2021

- **Gold sold** was 27,538 ounces, at an average realized price¹ of \$2,274 (US\$1,795) per ounce.
- Recognized **revenue** of \$62.7 million based on sales of 27,538 ounces of gold.
- **Operating earnings** were \$22.3 million.
- **Net income** of \$31.8 million, or \$0.51 per share and \$0.48 per share on a diluted basis.
- **Cash costs**¹ of \$903 (US\$713) per ounce and all-in sustaining costs (“**AISC**”)¹ of \$2,009 (US\$1,586) per ounce of gold sold.
- **EBITDA**¹ of \$57.1 million.
- **Free cash flow**¹ deficiency of \$21.0 million, or a deficiency of \$0.34 per share¹.
- **Cash** and cash equivalents of \$21.6 million at March 31, 2021 after repaying \$13.4 million of principal payments against the Company’s debt facilities.

¹ Refer to “Non-IFRS Performance Measures” section of this News Release.

First Quarter 2021 Operating Results

		Three months ended March 31, 2021	Three months ended March 31, 2020
Operating data			
Ore mined	Tonnes	1,562,230	946,479
Waste mined	Tonnes	4,675,295	1,565,964
Total mined	Tonnes	6,237,525	2,512,443
Strip ratio	(waste to ore)	2.99	1.65
Mining rate	Tonnes/day	69,311	27,911
Ore stacked on pad	Tonnes	950,513	887,700
Ore stacked grade	g/t Au	0.87	0.83
Throughput (stacked)	Tonnes/day	10,567	9,867
Gold ounces produced	ounces	26,759	10,544
Gold ounces sold	ounces	27,538	10,179

Gold production and sales

During the three months ended March 31, 2021, the Eagle Gold Mine produced 26,759 ounces of gold, compared to 10,544 ounces of gold production in Q1 2020. The Company was primarily focused on operations ramp up throughout 2020 and declared commercial production on July 1, 2020.

During the three months ended March 31, 2021, the Company sold 27,538 ounces of gold, compared with 10,179 gold ounces sold in the same quarter in the prior year.

Mining

During the three months ended March 31, 2021, a total of 1.6 million tonnes of ore were mined, at a strip ratio of 3:1 with a total of 6.2 million tonnes of material mined. In comparison, 0.9 million tonnes of ore were mined, at a strip ratio of 1.7:1 with a total of 2.5 million tonnes of material mined for the prior comparable period in 2020.

Total tonnes mined were 248% higher in Q1 2021 as we advanced phase 2 waste stripping within the open pit versus Q1 2020. The resulting average daily mining rate for Q1 2021 was 69.3 k tonnes per day compared to 27.9 k tonnes per day during Q1 2020.

Processing

During the three months ended March 31, 2021, a total of 1.0 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 10,600 tonnes per day. A total of 0.9 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 9,900 tonnes per day for the prior comparable period in 2020.

Ore stacked on the pad was similar in Q1 2021 versus the prior comparable period in 2020. In the first quarter of both 2020 and 2021, the Company operated under the seasonal stacking plan wherein stacking of ore on the heap leach pad is curtailed for the 90 coldest days of the year, January through March.

Stacked ore grade for the quarter was 0.87 g/t Au, compared to 0.83 g/t Au in the prior comparable period in 2020. Some material in phase 2 of the open pit which was expected to be waste was mineralized and above cut-off grades; as such a portion of waste was converted to ore, which

resulted in a minor increase in overall tonnes and ounces with a small decrease in grade, compared to expectations.

As at March 31, 2021, the Company estimates there are 64,279 recoverable ounces within mineral inventory.

During the first quarter of 2021 and through the date of this press release, a number of improvements related to material handling within the process circuit have been completed. These corrective measures are significantly improving reliability and plant uptime and, in turn, will improve ore stacking and gold production on a go forward basis.

Capital

The Company incurred a total of \$31.8 million in capital expenditures during the three months ended March 31, 2021: (1) sustaining capital of \$15.2 million (primarily upgrades to the material handling system including chute liners of \$12.4 million); (2) capitalized stripping activities of \$16.1 million, and; (3) \$0.5 million spend on growth capital expenditures (growth exploration) during the quarter.

First Quarter 2021 Financial Results

		Three months ended March 31, 2021	Three months ended March 31, 2020 ⁽¹⁾
Financial data			
Revenue	\$	62,749,024	-
Gross profit	\$	24,831,749	-
Net income (loss)	\$	31,800,928	(47,366,083)
Earnings (loss) per share – Basic	\$	0.51	(0.82)
Earnings (loss) per share - Diluted	\$	0.48	(0.82)
		As at March 31, 2021	As at December 31, 2020
Financial position			
Cash and cash equivalents	\$	21,559,380	56,136,314
Working capital	\$	21,104,261	25,370,418
Property, plant and equipment	\$	598,583,334	579,617,049
Total assets	\$	768,886,772	776,760,617
Long-term debt	\$	194,613,211	209,660,142

(1) Note that the table above does not present comparative statistics for revenue and cost of goods sold for the prior comparable quarter as Eagle Gold Mine achieved commercial production effective July 1, 2020. Gold sales and related costs prior to that date were capitalized to mineral properties.

Revenue

For the three months ended March 31, 2021, the Company sold 27,538 ounces of gold at an average realized price of \$2,274 (US\$1,795) (see “Non-IFRS Performance Measures” section) resulting in revenue of \$62.7 million. Revenue is net of treatment and refining charges, which were \$0.1 million for the three months ended March 31, 2021.

Cost of goods sold

Cost of goods sold of \$25.3 million for the three months ended March 31, 2021 are comprised of production costs, (including mining, processing, site services and site general and administration costs), royalty and selling costs.

Depreciation and depletion

Depreciation and depletion was \$12.6 million for the three months ended March 31, 2021. Assets are depreciated on a straight-line basis over their useful life, or depleted on a units-of-production basis over the reserves to which they relate.

Net income (loss)

The Company reported net income of \$31.8 million for the three month period ended March 31, 2021, compared to a net loss of \$47.4 million for the previous year's comparable period. The increase in net income for the three month period ended March 31, 2021 is the result of operating earnings, unrealized and realized gains on derivative instruments and foreign exchange gains, partially offset by finance costs, unrealized losses on marketable securities and deferred taxes.

Liquidity and Capital Resources

At March 31, 2021, the Company had cash and cash equivalents of \$21.6 million and a working capital surplus of \$21.1 million. The decrease in cash and cash equivalents of \$34.5 million over the year ended December 31, 2020, was due to operating activities and changes in working capital including foreign exchange losses on cash balances (\$12.6 million increase in cash), offset by investing activities (\$31.1 million decrease in cash) from capital expenditures incurred at the Eagle Gold Mine and financing activities (\$16.0 million decrease in cash) from principal and interest repayments made on credit facilities.

2021 Outlook

Management believes 2021 production and financial guidance remain achievable assuming there is no significant impact on operations at the Eagle Gold Mine due to the COVID-19 pandemic. The Company has taken precautions to mitigate the risk of COVID-19 on operations. However, the COVID-19 pandemic and any future emergence and spread of similar pathogens could have a material adverse impact on our business, operations and operating results, financial condition, liquidity and market for our securities.

The Company produced 26,759 ounces of gold during the first quarter of 2021. The Company's 2021 gold production guidance at the Eagle Gold Mine of 180,000 ounces to 200,000 ounces is unchanged. Gold production is expected to be strongly weighted to the second half of the year due to the seasonal stacking of ore on the Eagle leach pad.

The Company's AISC¹ per ounce of gold sold during the first quarter of 2021 was US\$1,586. The Company's 2021 AISC guidance at the Eagle Gold Mine of US\$1,050 to US\$1,175 per ounce of gold sold is unchanged. AISC are expected to fall quarter over quarter in 2021 due to the seasonal stacking of ore on the Eagle leach pad. Sustaining capital will be high in 2021 compared with future years due to one-time infrastructure expenditures including construction of the truck shop (US\$8 million) and water treatment plant (US\$11 million).

The Company has initiated 'Project 250' aimed at increasing the average annual production of the Eagle Gold Mine to 250,000 ounces gold by 2023. The two primary opportunities to increase production are the scalping of fine ore from the crushing circuit and adjustments to the seasonal

¹ Refer to "Non-IFRS Performance Measures" section.

stacking plan. Scalping of fine ore is expected to reduce wear and energy requirements as well as increase overall capacity of the crushing circuit. Further investigation is underway on year-round stacking of ore to the heap leach pad. Early engineering on Project 250 is expected to be complete in the second half of 2021.

Qualified Person

The technical content of this news release has been reviewed and approved by Paul D. Gray, P.Geo, as the "Qualified Person" as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Annual General Meeting & Conference Call

The Company will hold its Annual General Meeting ("AGM") on June 23, 2021. Mr. Sean Roosen will not be standing for re-election as a director of the Company. Mr. Roosen will be focusing on his new role as Chairman and CEO of Osisko Development Corp. The Company would like to thank Mr. Roosen for his invaluable support and frank guidance through construction and ramp up of operations of the Eagle Gold Mine.

Considering the Company recently held a conference call in relation to its year ended December 31, 2020, consolidated results on March 24, 2021 and the upcoming AGM, the Company will not host a conference call to discuss the first quarter consolidated results. The Company does intend to host conference calls to discuss second quarter, third quarter and year ended 2021 consolidated results upon their release.

About the Dublin Gulch Property

Victoria Gold's 100%-owned Dublin Gulch gold property (the "Property") is situated in 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 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 Mine is Yukon's newest operating gold mine. The Eagle and Olive deposits include Proven and Probable Reserves of 3.3 million ounces of gold from 155 million tonnes of ore with a grade of 0.65 grams of gold per tonne, as outlined in a National Instrument 43-101 Technical Report for the Eagle Gold Mine dated December 3, 2019. The Mineral Resource under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Eagle and Olive deposits has been estimated to host 227 million tonnes averaging 0.67 grams of gold per tonne, containing 4.7 million ounces of gold in the "Measured and Indicated" category, inclusive of Proven and Probable Reserves, and a further 28 million tonnes averaging 0.65 grams of gold per tonne, containing 0.6 million ounces of gold in the "Inferred" category.

Non-IFRS Performance Measures

The Company has included certain non-IFRS measures in this news release. Refer to the Company's MD&A for an explanation, discussion and reconciliation of non-IFRS measures. The Company believes that these measures, in addition to measures prepared in accordance with International Financial Reporting Standards ("IFRS"), provide readers with an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These

measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers.

Cautionary Language and Forward-Looking Statements

This press release includes certain statements that may be deemed "forward-looking statements". Except for statements of historical fact relating to Victoria, information contained herein constitutes forward-looking information, including any information related to Victoria's strategy, plans or future financial or operating performance. Forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "will", "could" or "should" occur, and includes any guidance and forecasts set out herein (including, but not limited to, production and operational guidance of the Corporation). In order to give such forward-looking information, the Corporation has made certain assumptions about the its business, operations, the economy and the mineral exploration industry in general, in particular in light of the impact of the novel coronavirus and the COVID-19 disease ("COVID-19") on each of the foregoing. In this respect, the Corporation has assumed that production levels will remain consistent with management's expectations, contracted parties provide goods and services on agreed timeframes, equipment works as anticipated, required regulatory approvals are received, no unusual geological or technical problems occur, no material adverse change in the price of gold occurs and no significant events occur outside of the Corporation's normal course of business. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those described in, or implied by, the forward-looking information. These factors include the impact of general business and economic conditions, risks related to COVID-19 on the Company, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, anticipated metal production, fluctuating metal prices, currency exchange rates, estimated ore grades, possible variations in ore grade or recovery rates, changes in accounting policies, changes in Victoria's corporate resources, changes in project parameters as plans continue to be refined, changes in development and production time frames, the possibility of cost overruns or unanticipated costs and expenses, uncertainty of mineral reserve and mineral resource estimates, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, final pricing for metal sales, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, requirements for additional capital, permitting time lines, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcomes of pending litigation and labour disputes, risks related to remote operations and the availability of adequate infrastructure, fluctuations in price and availability of energy and other inputs necessary for mining operations. Although Victoria has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in, or implied by, the forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding Victoria's expected financial and operational performance and Victoria's plans and objectives and may not be appropriate for other purposes. All forward-looking

information contained herein is given as of the date hereof, as the case may be, and is based upon the opinions and estimates of management and information available to management of the Corporation as at the date hereof. The Corporation undertakes no obligation to update or revise the forward-looking information contained herein and the documents incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by applicable laws.

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