



Condensed Consolidated Interim Financial Statements

September 30, 2021 and 2020

(Unaudited)
(Expressed in Canadian Dollars)

Victoria Gold Corp.

September 30, 2021 and December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying condensed consolidated interim financial statements and all other financial information included in this report are the responsibility of management. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Financial statements include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the condensed consolidated interim financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of three Directors, all of whom are non-management and independent, meets with management to review the condensed consolidated interim financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the condensed consolidated interim financial statements.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "John McConnell"
Director, President and CEO
November 11, 2021

(signed) "Marty Rendall"
CFO
November 11, 2021

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	<i>Notes</i>	September 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		\$ 14,829,155	\$ 56,136,314
Marketable securities and warrants		7,456,495	4,373,319
GST and other receivables	5	5,926,228	3,150,503
Inventory	6	125,351,758	86,697,598
Prepaid expenses		6,124,080	2,606,596
		<u>159,687,716</u>	<u>152,964,330</u>
Non-current assets			
Restricted cash	7	468,399	3,153,196
Exploration and evaluation assets	7	48,474,273	41,026,042
Property, plant and equipment	8	618,248,577	579,617,049
		<u>\$ 826,878,965</u>	<u>\$ 776,760,617</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 51,319,154	\$ 52,057,162
Income and mining taxes payable		4,260,000	-
Current portion of lease liability	10	498,038	751,785
Current portion of derivative instruments	12	3,388,269	19,736,634
Current portion of long-term debt	11	55,912,724	55,048,331
		<u>115,378,185</u>	<u>127,593,912</u>
Non-current liabilities			
Deferred taxes		38,113,866	9,350,000
Lease liability	10	1,082,965	1,381,613
Derivative instruments	12	19,715,938	28,494,371
Long-term debt	11	171,532,053	209,660,142
Asset retirement obligations ("ARO")	13	38,170,854	28,213,316
		<u>383,993,861</u>	<u>404,693,354</u>
Shareholders' Equity			
Share capital	15	400,411,216	395,740,554
Contributed surplus		24,224,969	22,873,438
Accumulated other comprehensive loss		(1,969,822)	(2,017,697)
Accumulated earnings (deficit)		13,986,361	(50,961,993)
Equity attributable to Victoria Gold shareholders		<u>436,652,724</u>	<u>365,634,302</u>
Non-controlling interest	7	6,232,380	6,432,961
Total equity		<u>442,885,104</u>	<u>372,067,263</u>
Total liabilities and shareholders' equity		<u>\$ 826,878,965</u>	<u>\$ 776,760,617</u>

Nature of operations and going concern (Note 1)

See accompanying notes to the condensed consolidated interim financial statements.

Authorized for issue by the Board of
Directors on November 11th, 2021
and signed on its behalf.

"T. Sean Harvey"

Director

"Chris Hill"

Director

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Three month period ended		Nine month period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue		\$ 119,548,442	\$ 80,526,228	\$ 245,806,593	\$ 80,526,228
Cost of goods sold	18	47,987,910	34,374,993	100,980,615	34,374,993
Depreciation and depletion		17,922,720	12,995,798	43,639,573	12,995,798
Gross profit		53,637,812	33,155,437	101,186,405	33,155,437
Corporate general and administration	19	1,584,409	1,521,503	6,051,113	6,003,452
Operating earnings (loss)		52,053,403	31,633,934	95,135,292	27,151,985
Finance income		11,739	44,627	32,065	189,169
Finance costs	20	(3,260,883)	(5,642,544)	(10,203,396)	(5,955,037)
Unrealized gain (loss) on marketable securities		(373,310)	811,458	(78,074)	3,126,913
Unrealized and realized gain (loss) on derivative instruments	12	4,917,927	(9,894,483)	13,604,929	(57,801,569)
Foreign exchange gain (loss)		(6,671,046)	5,991,779	(772,732)	(7,564,026)
Other		-	-	-	6,721,000
		(5,375,573)	(8,689,163)	2,582,792	(61,283,550)
Income (loss) before taxes		46,677,830	22,944,771	97,718,084	(34,131,565)
Current Income and Mining taxes		(4,260,000)	(2,672,327)	(4,260,000)	(4,306,815)
Deferred tax (expense) recovery		(10,802,578)	-	(28,750,377)	(1,520,848)
Net income (loss)		\$ 31,615,252	\$ 20,272,444	\$ 64,707,707	\$ (39,959,228)
Other Comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Currency translation adjustment		302	(36,836)	87,941	(118,546)
Total comprehensive income (loss) for the period		\$ 31,615,554	\$ 20,235,608	\$ 64,795,648	\$ (40,077,774)
Net income (loss) attributable to:					
Shareholders of the Company		\$ 31,678,665	\$ 20,272,444	\$ 64,948,354	\$ (39,959,228)
Non-controlling interest		(63,413)	-	(240,647)	-
		\$ 31,615,252	\$ 20,272,444	\$ 64,707,707	\$ (39,959,228)
Other comprehensive income (loss) attributable to:					
Shareholders of the Company		\$ (10,256)	\$ (36,836)	\$ 47,875	\$ (118,546)
Non-controlling interest		10,558	-	40,066	-
		\$ 302	\$ (36,836)	\$ 87,941	\$ (118,546)
Net income (loss) and comprehensive income (loss) attributable to:					
Shareholders of the Company		\$ 31,668,409	\$ 20,235,608	\$ 64,996,229	\$ (40,077,774)
Non-controlling interest		(52,855)	-	(200,581)	-
		\$ 31,615,554	\$ 20,235,608	\$ 64,795,648	\$ (40,077,774)
Earnings (loss) per share	14				
Basic		\$ 0.51	\$ 0.33	\$ 1.04	\$ (0.67)
Diluted		\$ 0.48	\$ 0.31	\$ 0.99	\$ (0.67)
Weighted average number of shares outstanding	14				
Basic		62,586,490	61,831,871	62,375,441	59,987,700
Diluted		65,902,319	65,075,978	65,691,270	59,987,700

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)
(Expressed in Canadian Dollars)

Notes	Share capital		Contributed surplus	Accumulated other comprehensive loss	Accumulated earnings (deficit)	Non-controlling interest	Total equity	
	Number of shares	Amount						
Balance at December 31, 2019	57,278,629	\$ 359,000,352	\$ 24,529,288	\$ (2,517,453)	\$ (66,382,516)	\$ -	\$ 314,629,671	
Transactions with owners:								
Proceeds from share issue	3,809,072	30,005,369	-	-	-	-	30,005,369	
Proceeds from stock options exercised	752,895	5,247,921	-	-	-	-	5,247,921	
Fair values allocated upon exercise:								
Stock options	-	2,454,001	(2,454,001)	-	-	-	-	
Share issuance costs	-	(1,605,304)	-	-	-	-	(1,605,304)	
Share-based payments, expensed	-	-	30,445	-	-	-	30,445	
Share-based payments, capitalized	-	-	15,011	-	-	-	15,011	
Premium on flow-through shares	-	(369,152)	-	-	-	-	(369,152)	
Total transactions with owners:	4,561,967	35,732,835	(2,408,545)	-	-	-	33,324,290	
Net loss for the period	-	-	-	-	(39,959,228)	-	(39,959,228)	
Other comprehensive income/(loss):								
Currency translation adjustment	-	-	-	(118,546)	-	-	(118,546)	
Balance at September 30, 2020	15	61,840,596	\$ 394,733,187	\$ 22,120,743	\$ (2,635,999)	\$(106,341,744)	\$ -	\$ 307,876,187
Balance at December 31, 2020	62,117,040	\$ 395,740,554	\$ 22,873,438	\$ (2,017,697)	\$ (50,961,993)	\$ 6,432,961	\$ 372,067,263	
Transactions with owners:								
Proceeds from stock options exercised	498,834	3,769,805	-	-	-	-	3,769,805	
Fair values allocated upon exercise:								
Stock options	-	900,857	(900,857)	-	-	-	-	
Share-based payments, expensed	-	-	2,252,388	-	-	-	2,252,388	
Total transactions with owners:	498,834	4,670,662	1,351,531	-	-	-	6,022,193	
Net income (loss) for the period	-	-	-	-	64,948,354	(240,647)	64,707,707	
Other comprehensive income/(loss):								
Currency translation adjustment	-	-	-	47,875	-	40,066	87,941	
Balance at September 30, 2021	15	62,615,874	\$ 400,411,216	\$ 24,224,969	\$ (1,969,822)	\$ 13,986,361	\$ 6,232,380	\$ 442,885,104

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Nine month period ended	
		September 30, 2021	September 30, 2020
Operating activities			
Net income (loss) for the period		\$ 64,707,707	\$ (39,959,228)
Adjustments for:			
Depreciation and depletion		43,639,573	12,995,798
Share-based payments	16	2,252,388	30,445
Income and Mining taxes		33,010,377	2,456,582
Other		-	(6,721,000)
Finance costs		10,191,747	5,897,576
Unrealized (gain) loss on marketable securities		78,074	(3,126,913)
Unrealized (gain) loss on derivative instruments	12	(25,126,798)	52,944,569
Amortization		80,420	87,858
Unrealized foreign exchange (gain) loss, net		105,350	7,428,683
		128,938,838	32,034,370
Working capital adjustments:			
(Increase) decrease in GST and other receivables		(2,775,287)	2,803,666
(Increase) decrease in inventory		(38,654,160)	(611,864)
(Increase) decrease in marketable securities		(3,161,250)	(464,520)
(Increase) decrease in prepaid expenses and deposits		763,066	(1,610,181)
Increase (decrease) in accounts payables and accrued liabilities		(6,210,958)	45,471,305
		(50,038,589)	45,588,406
Net cash flows from operating activities		78,900,249	77,622,776
Investing activities			
Exploration and evaluation assets	7	(5,498,489)	(5,532,497)
Related party loan		-	169,250
Restricted cash		2,740,654	1,766,760
Purchase of property, plant and equipment		(73,168,645)	(52,421,990)
Cash received from prior period sale		-	6,721,000
Net cash flows used in investing activities		(75,926,480)	(49,297,477)
Financing activities			
Shares issued for cash, net of issuance cost	15	-	28,400,065
Exercise of options		3,769,805	5,247,921
Interest paid		(7,286,154)	(7,038,592)
Credit Facility, net of deferred finance fees	11	3,148,470	3,983,187
Principal repayment of long-term debt	11	(43,399,795)	(35,649,814)
Principal repayment of lease liability		(558,782)	(548,954)
Net cash flows used in financing activities		(44,326,456)	(5,606,187)
Foreign exchange gain (loss) on cash balances		45,528	371,473
Net increase (decrease) in cash and cash equivalents		(41,307,159)	23,090,585
Cash and cash equivalents, beginning of the period		56,136,314	16,882,129
Cash and cash equivalents, end of the period		\$ 14,829,155	\$ 39,972,714

See accompanying notes to the condensed consolidated interim financial statements. Supplementary Cash Flow information is provided in Note 22.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Victoria Gold Corp. ("Victoria" or "the Company"), a British Columbia company, was incorporated in accordance with the Business Corporations Act (British Columbia) on September 21, 1981. The Company's common shares are listed on the Toronto Stock Exchange (TSX).

The Company is engaged in the operation, exploration and acquisition of mineral properties. The Company completed construction of the Eagle Gold Mine in mid 2019 and poured its first gold in September 2019. On July 1, 2020 the Company achieved commercial production at the Eagle Gold Mine. The Company's registered office is located at 80 Richmond St. West, Suite 204, Toronto, Ontario, M5H 2A4, Canada.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due for the foreseeable future. The Company's future is currently dependent upon the existence of economically recoverable mineral reserves and its ability to successfully extract these reserves.

The Company periodically seeks financing for mine operations, exploration and/or development of its properties and/or to meet its future administrative requirements. The Company had a working capital surplus of \$44.3 million at September 30, 2021 and will need to generate sufficient positive cash flows from operations or possibly raise additional financing to ensure debt service and repayment terms are met. Although the Company has been successful in raising funds to date, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern and therefore these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

At September 30, 2021, the Company had a working capital surplus of \$44.3 million (\$25.4 million at December 31, 2020), accumulated earnings of \$14.0 million (deficit of \$51.0 million at December 31, 2020) and reported net income of \$64.7 million for the nine months ended September 30, 2021 (net loss of \$40.0 million for the nine months ended September 30, 2020). At September 30, 2021, the Company had cash flows from operating activities of \$78.9 million (\$77.6 million at September 30, 2020), cash flows used in investing activities of \$75.9 million (\$49.3 million at September 30, 2020) and cash flows used in financing activities of \$44.3 million (\$5.6 million at September 30, 2020). The Company has undrawn debt facilities of \$34.6 million with \$55.9 million coming due for repayment within twelve months of September 30, 2021.

2. BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and September 30, 2020 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

These condensed consolidated interim financial statements include the accounts of Victoria, its wholly-owned subsidiary, Victoria Gold (Yukon) Corp. and its 54% interest in Lahontan Gold Corp. ("Lahontan").

These financial statements were approved by the Board of Directors for issue on November 11, 2021.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2020.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2020.

5. GST AND OTHER RECEIVABLES

GST and other receivables includes the following components:

	September 30, 2021	December 31, 2020
GST receivable	\$ 569,805	\$ 3,123,021
Trade and other receivables	5,356,423	27,482
Total	\$ 5,926,228	\$ 3,150,503

6. INVENTORY

Inventory includes the following components:

	September 30, 2021	December 31, 2020
Stockpiled ore	\$ 1,363,067	\$ 1,543,486
In-process inventory	104,391,361	68,987,297
Finished goods inventory	5,920,361	7,211,775
Total mineral inventory	111,674,789	77,742,558
Materials and supplies	13,676,969	8,955,040
Total	\$ 125,351,758	\$ 86,697,598

As at September 30, 2021, \$24.8 million (December 31, 2020 – \$16.8 million) of non-cash costs such as depreciation, depletion and site share-based compensation were included in inventory.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2020	\$ 10,419,030	\$ 29,040,083	\$ 1,566,929	\$ 41,026,042
Sale of property interest	-	-	(161,250)	(161,250)
Salaries and benefits	457,472	759,206	-	1,216,678
Land claims and royalties	32,355	15,000	57,500	104,855
Drilling and indirects	326,028	3,411,548	4,501	3,742,077
Other exploration	349,806	1,865,180	50,754	2,265,740
Exploration and evaluation costs for the period	1,165,661	6,050,934	112,755	7,329,350
Interest in other properties	-	-	-	-
Currency translation	280,131	-	-	280,131
Balance September 30, 2021	\$ 11,864,822	\$ 35,091,017	\$ 1,518,434	\$ 48,474,273

** Other properties include interests in Donjek, Aurex, CanAlask, Dace and Clear Creek in Yukon Territory.

During the year ended December 31, 2020, the Company entered into a transaction with a third-party company, Lahontan under which the Company agreed to sell its 100% interest in the Santa Fe property. As consideration, Victoria received shares in Lahontan which provide it with a controlling ownership position of a 54% interest in Lahontan. The main asset of Lahontan is the Santa Fe property.

As of September 30, 2021, restricted cash consists of \$0.1 million for Dublin Gulch (December 31, 2020 - \$2.8 million) and \$0.4 million relating to interest in other properties, primarily Santa Fe (December 31, 2020 - \$0.3 million).

	Santa Fe (Nevada)	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2019	\$ 6,585,828	\$ -	\$ 24,642,125	\$ 1,681,929	\$ 32,909,882
Sale of property interest	(7,028,892)	-	-	(172,500)	(7,201,392)
Salaries and benefits	75,026	-	828,518	-	903,544
Amortization	-	-	-	-	-
Consulting and administration	107,115	-	-	-	107,115
Land claims and royalties	68,681	-	15,000	57,500	141,181
Environmental and permitting	15,264	-	-	-	15,264
Government and community relations	-	-	22,800	-	22,800
Drilling and indirects	-	-	1,339,306	-	1,339,306
Other exploration	-	-	2,192,334	-	2,192,334
Exploration and evaluation costs for the year	266,086	-	4,397,958	57,500	4,721,544
Interest in other properties	-	10,419,030	-	-	10,419,030
Currency translation	176,978	-	-	-	176,978
Balance December 31, 2020	\$ -	\$ 10,419,030	\$ 29,040,083	\$ 1,566,929	\$ 41,026,042

** Other properties include interests in Donjek, Aurex, CanAlask, Dace and Clear Creek in Yukon Territory.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

	Other assets	Right-of-use assets	Leasehold improvements	Buildings & structures	Equipment	Mineral Properties	Total
Cost							
December 31, 2019	\$ 1,215,683	\$ 1,896,769	\$ 589,149	\$ 236,265,379	\$ 128,346,964	\$ 266,465,217	\$ 634,779,161
Reallocation of inventory costs	-	-	-	-	-	(82,466,947)	(82,466,947)
Net Capitalized Gold Sales	-	-	-	-	-	(70,225,189)	(70,225,189)
Additions	204,075	1,457,331	-	10,726,567	15,142,873	134,218,577	161,749,423
Disposals	(52,384)	-	-	-	-	-	(52,384)
December 31, 2020	1,367,374	3,354,100	589,149	246,991,946	143,489,837	247,991,658	643,784,064
Additions	-	9,068	-	7,079,970	22,037,660	53,785,054	82,911,752
Disposals	-	(23,285)	-	-	-	-	(23,285)
September 30, 2021	\$ 1,367,374	\$ 3,339,883	\$ 589,149	\$ 254,071,916	\$ 165,527,497	\$ 301,776,712	\$ 726,672,531
Accumulated amortization							
December 31, 2019	\$ 915,617	\$ 518,489	\$ 129,194	\$ 9,700,619	\$ 6,603,982	\$ -	\$ 17,867,901
Charge	115,623	886,275	156,269	20,361,329	17,028,082	7,803,920	46,351,498
Disposals	(52,384)	-	-	-	-	-	(52,384)
December 31, 2020	978,856	1,404,764	285,463	30,061,948	23,632,064	7,803,920	64,167,015
Charge	78,615	640,651	117,201	15,779,685	14,326,388	13,337,684	44,280,224
Disposals	-	(23,285)	-	-	-	-	(23,285)
September 30, 2021	\$ 1,057,471	\$ 2,022,130	\$ 402,664	\$ 45,841,633	\$ 37,958,452	\$ 21,141,604	\$ 108,423,954
Net book value							
December 31, 2019	\$ 300,066	\$ 1,378,280	\$ 459,955	\$ 226,564,760	\$ 121,742,982	\$ 266,465,217	\$ 616,911,260
December 31, 2020	\$ 388,518	\$ 1,949,336	\$ 303,686	\$ 216,929,998	\$ 119,857,773	\$ 240,187,738	\$ 579,617,049
September 30, 2021	\$ 309,903	\$ 1,317,753	\$ 186,485	\$ 208,230,283	\$ 127,569,045	\$ 280,635,108	\$ 618,248,577

During the nine month period ended September 30, 2021, the Company capitalized \$26.7 million (September 30, 2020 - \$9.6 million) of deferred stripping costs to mineral properties. The depletion expense related to deferred stripping for the nine months ended September 30, 2021 was \$1.6 million (September 30, 2020 - \$nil). Included in the mineral properties balance at September 30, 2021 is \$40.7 million (September 30, 2020 - \$9.6 million) related to deferred stripping costs.

The carrying value of equipment pledged as security for the related Equipment Financing Facility at September 30, 2021 was \$35.3 million (\$44.6 million – December 31, 2020) (Note 11).

Certain of the Company's mining properties are subject to royalty arrangements based on their net smelter returns ("NSR"s). At September 30, 2021, the Company's royalty arrangements based on production were as follows:

Royalty arrangements:

Franco-Nevada Corp.	1% Cash NSR – Settled via cash payment royalty expense after production.
Osisko Gold Royalties Ltd.	5% Metal NSR – Settled via delivery of metal ounces after production.

The royalty arrangements listed above have an impact on the Company's financial statement presentation of Revenue and Royalty expense. Revenue herein is based on 95% of the production from the Eagle Mine after the delivery of the 5% metal NSR attributable to Osisko Gold Royalties Ltd. As a result, this 5% NSR is not recorded in Revenue or as a Royalty expense. The 1% cash NSR held by Franco-Nevada Corp. does result in Revenue as it does not impact ounces available for sale, and a Royalty expense associated with the cash payment.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following components:

	September 30, 2021	December 31, 2020
Trade payables	\$ 20,646,559	\$ 21,049,863
Accrued liabilities	26,563,621	27,485,205
Payroll related liabilities	4,108,974	3,522,094
Total	<u>\$ 51,319,154</u>	<u>\$ 52,057,162</u>

10. LEASE LIABILITY

	Total
As at December 31, 2020	\$ 2,133,398
Additions	9,068
Disposals	(2,681)
Interest expense	118,915
Lease payments	(677,697)
Lease liabilities at September 30, 2021	<u>\$ 1,581,003</u>
Current lease liability	498,038
Non-current lease liability	<u>1,082,965</u>

The Company has lease liabilities for contracts related to equipment, vehicles, and office premises in: (1) Vancouver, BC, (2) Toronto, Ontario and (3) Whitehorse, Yukon. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

	September 30, 2021	December 31, 2020
MATURITY ANALYSIS		
< 1 year	\$ 498,038	\$ 751,785
1 to 3 years	447,356	359,302
3 to 5 years	635,609	1,017,439
> 5 years	-	4,872
Total	<u>\$ 1,581,003</u>	<u>\$ 2,133,398</u>

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

11. DEBT

On December 18, 2020 the Company announced it had entered into a credit agreement with a syndicate of banks, comprised of Bank of Montreal, CIBC and BNP Paribas, in connection with a secured US\$200 million debt facility (the "Loan Facility"). The Loan Facility is comprised of a US\$100 million term loan (the "Term Facility") and a US\$100 million revolving facility (the "Revolving Credit Facility").

The funding from the Loan Facility was used to repay the previously outstanding project finance facility, which included senior and subordinated debt that was used for the construction of the Eagle Gold Mine. The Revolving Credit Facility is available for general corporate purposes subject to customary terms and conditions.

The Loan Facility is available by way of US dollar LIBOR loans, with an interest rate ranging from 3.00% to 4.00% over LIBOR (currently one month LIBOR is approximately 0.15%), based on the Company's leverage ratio and other customary terms and conditions.

The Loan Facility includes certain covenants that are calculated and reported each fiscal quarter, which commenced on December 31, 2020. As at September 30, 2021, the Company is in compliance with all covenants.

Loan Facilities

Term Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 3.25%;
- Principal and interest are repayable in 12 equal quarterly installments which began on March 31, 2021.

As at September 30, 2021, principal of US\$75.0 million was outstanding on the Term Facility. Deferred financing charges in the amount of \$2.6 million are being amortized over the term using the effective interest rate method.

Revolving Credit Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 3.25%;
- Accrued interest is repayable quarterly and began on March 31, 2021;
- Principal and accrued interest are due at maturity, on December 31, 2023, and may be repaid early without penalty.

As at September 30, 2021, principal of US\$72.9 million was outstanding on the Revolving Credit Facility. Deferred financing charges in the amount of \$2.6 million are being amortized using the full amount of the facility, including any undrawn amount, over the full term of the facility using the effective interest rate method.

Equipment Finance Facility

US\$50 million facility with Caterpillar Financial Services Limited ("Cat Financial") with the following commercial terms:

- Available for drawdown against the acquisition cost of Cat mining equipment;
- Interest rates of LIBOR plus 2.75-3.50%;
- 4-6 year, amortizing facility, maturing between November 29, 2022 and July 1, 2025 (the "Term");
- Secured by Cat mining equipment.

As at September 30, 2021, principal of US\$31.1 million was outstanding on the Equipment Finance Facility. Deferred financing charges in the amount of \$2.7 million are being amortized over the Term using the effective interest rate method.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

	September 30, 2021	December 31, 2020
Equipment Finance Facility, principal	\$ 42,220,029	\$ 47,477,488
Equipment Finance Facility, interest	347,222	638,859
Equipment Finance Facility, ending balance	<u>\$ 42,567,251</u>	<u>\$ 48,116,347</u>
Term Debt Facility, principal	\$ 93,755,699	\$ 124,143,234
Term Debt Facility, interest	40,192	172,734
Term Debt Facility, ending balance	<u>\$ 93,795,891</u>	<u>\$ 124,315,968</u>
Revolver Facility, principal	\$ 91,040,979	\$ 92,146,833
Revolver Facility, interest	40,656	129,325
Revolver Facility, ending balance	<u>\$ 91,081,635</u>	<u>\$ 92,276,158</u>
Total Debt	<u>\$ 227,444,777</u>	<u>\$ 264,708,473</u>
Less: Current portion	<u>(55,912,724)</u>	<u>(55,048,331)</u>
Long-term Debt	<u>\$ 171,532,053</u>	<u>\$ 209,660,142</u>

During the nine month period ended September 30, 2021 the Company incurred interest expense of \$7.2 million (September 30, 2020 - \$5.2 million) and amortized deferred financing charges of \$2.6 million (September 30, 2020 - \$0.3 million) in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

The Equipment Finance Facility with Cat Financial is secured by leased equipment with a carrying value of \$35.3 million as of September 30, 2021 (\$44.6 million – December 31, 2020).

The Company's scheduled debt principal repayments as at September 30, 2021 are summarized in the table, below:

	2021	2022	2023	2024	2025 and thereafter	Total
Term Debt Facility	\$10,617,500	\$42,470,000	\$ 42,470,000	\$ -	\$ -	\$ 95,557,500
Revolving Loan Facility	-	-	92,842,782	-	-	92,842,782
Equipment Finance Facility	3,283,701	15,472,225	15,630,122	14,444,983	-	48,831,031
	<u>\$13,901,201</u>	<u>\$57,942,225</u>	<u>\$150,942,904</u>	<u>\$14,444,983</u>	<u>\$ -</u>	<u>\$237,231,313</u>

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative Instruments outstanding	Quantity outstanding	Remaining term	Exercise price	Fair value - asset (liability) ⁽¹⁾ (C\$)
<i>Current Instruments</i>				
<i>Gold put options</i>				
Gold put options - purchased	15,000 oz	December 31, 2021	US\$1,700	\$ 242,928
Gold put options - purchased	15,000 oz	January 2022 - March 2022	US\$1,700	710,290
<i>Zero-cost collars</i>				
Gold call options - sold	15,000 oz	December 31, 2021	C\$1,936	(4,341,487)
Gold put options - purchased	15,000 oz	December 31, 2021	C\$1,500	-
				\$ (3,388,269)
<i>Long-term Instruments</i>				
<i>Gold call options</i>				
Gold call options - sold	20,000 oz	April 13, 2023	US\$1,485	(7,943,269)
<i>Warrants</i>				
Warrants	1,666,667	April 13, 2023	C\$9.375	(11,772,669)
				(19,715,938)
				\$ (23,104,207)

1. The Company presents the fair value of its derivative instruments on a net basis on the condensed consolidated interim statements of financial position.

Gold Put Options

In September 2021, the Company purchased gold put options on 15,000 ounces of gold at a price of US\$1,700 per ounce with monthly expiry dates of January 31 through March 31, 2022. In November 2020, the Company purchased gold put options on 60,000 ounces of gold at a price of US\$1,700 per ounce with monthly expiry dates of January 31 through December 31, 2021. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the condensed consolidated interim financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. The Company recognized the mark-to-market adjustment loss of \$1.8 million, based on US\$1,758 per ounce of gold and a foreign exchange rate of 1.2741 US\$ to C\$, in net income (loss) of the condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2021.

Zero Cost Collars

In May 2018, the Company entered into gold price zero cost collars using option contracts that the Company has elected not to designate as cash flow hedges for hedge accounting under IFRS 9. The purchase of gold put options was financed through selling gold call options at a higher level such that the net premium payable by the Company at the time of entering into the contracts was \$nil. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the condensed consolidated interim financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

combination of quoted prices and market-corroborated inputs. The Company recognized the mark-to-market adjustment gain of \$14.2 million, based on US\$1,758 per ounce of gold and a foreign exchange rate of 1.2741 US\$ to C\$, in net income (loss) of the condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2021.

Gold Call Options

On April 13, 2018, the Company sold a gold call option on 20,000 ounces of gold at a price of US\$1,485 per ounce, with an expiry date of April 13, 2023. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the condensed consolidated interim financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. As at September 30, 2021 the gold call option fair value was \$7.9 million, based on US\$1,758 per ounce of gold and a foreign exchange rate of 1.2741 US\$ to C\$. The Company recognized the mark-to-market adjustment gain of \$4.1 million in net income (loss) of the condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2021.

Warrants

On April 13, 2018, the Company granted 1,666,667 warrants with a strike price of \$9.375 and a term of five years. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the condensed consolidated interim financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using Black-Scholes option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. As at September 30, 2021, the warrant fair value was \$11.8 million based on the September 30, 2021 closing share price of \$15.07. The Company recognized the mark-to-market adjustment loss of \$2.9 million in net income (loss) of the condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2021.

13. ASSET RETIREMENT OBLIGATIONS

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and measured with the most reliable information available. Management's estimate is determined based on the net present value of estimated future cash expenditures for reclamation and closure activities. Reclamation and closure costs are capitalized into exploration and evaluation assets or mineral properties depending on the nature of the asset related to the obligation and amortized over the life of the related asset. Future changes to those regulations and standards, as well as changes resulting from operations, may result in actual reclamation costs differing from the estimate. Details of the Company's reclamation performance obligations can be found within *Note 7*.

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Dublin Gulch property. The Company prepared the Dublin Gulch reclamation obligation using prescribed third-party contractor rates with a 10% contingency. The estimated costs of reclamation are based on current regulatory requirements and the estimated reclamation costs at the reporting date use the following assumptions:

- a) total undiscounted amount of inflation adjusted future reclamation costs at September 30, 2021 was determined to be \$48.4 million for Dublin Gulch (December 31, 2020 - \$32.1 million) and \$0.4 million for its interest in other properties, primarily Santa Fe (December 31, 2020 - \$0.4 million);
- b) weighted average risk-free interest rate at 1.8% and a long-term inflation rate of 2.0%; and
- c) expected timing of risk adjusted cash outflows required to settle the obligation will be incurred over the period through 2034 for Dublin Gulch.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

The following is an analysis of the Company's asset retirement obligation:

	September 30, 2021	December 31, 2020
Balance, beginning of the period	\$ 27,855,642	\$ 25,351,318
Accretion on reclamation provision	337,724	347,064
Currency translation	-	(362,005)
ARO change due to increased footprint	9,616,606	2,519,265
	\$ 37,809,972	\$ 27,855,642
Interest in other properties	360,882	357,674
Balance, end of the period	\$ 38,170,854	\$ 28,213,316

14. EARNINGS (LOSS) PER SHARE

(a) Basic

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders by the weighted average number of ordinary shares in issue during the period.

	Three month period ended September 30, September 30, 2021 2020		Nine month period ended September 30, September 30, 2021 2020	
Net income (loss)	\$ 31,615,252	\$ 20,272,444	\$ 64,707,707	\$ (39,959,228)
Weighted average number of common shares issued	62,586,490	61,831,871	62,375,441	59,987,700
Basic earnings (loss) per share	\$ 0.51	\$ 0.33	\$ 1.04	\$ (0.67)

(b) Diluted

	Three month period ended September 30, September 30, 2021 2020		Nine month period ended September 30, September 30, 2021 2020	
Net income (loss) attributable to common shareholders	\$ 31,615,252	\$ 20,272,444	\$ 64,707,707	\$ (39,959,228)
Weighted average number of common shares issued	62,586,490	61,831,871	62,375,441	59,987,700
Adjustment for:				
Warrants	1,666,667	1,666,667	1,666,667	-
Stock options	1,649,162	1,577,440	1,649,162	-
Weighted average number of ordinary shares for diluted earnings per share	65,902,319	65,075,978	65,691,270	59,987,700
Diluted earnings (loss) per share	\$ 0.48	\$ 0.31	\$ 0.99	\$ (0.67)

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND OTHER EQUITY

Authorized, issued and outstanding common shares

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 62,615,874 and 61,840,596 shares for the period ended September 30, 2021 and September 30, 2020, respectively.

16. SHARE-BASED PAYMENTS

Omnibus Incentive Plan

The omnibus incentive plan of the Company (the "Omnibus Plan") was approved by the shareholders of the Company on August 19, 2020. The Omnibus Plan has been established to attract and retain key talent who are necessary or essential to Victoria's success, reputation and activities and allows Victoria to reward key talent for their performance and greater align their interest with those of Victoria's shareholders. The Omnibus Plan is an "evergreen" plan and the Common Shares available for issuance pursuant to awards granted under the Omnibus Plan may not exceed 10% of the total number of issued and outstanding Common Shares. At September 30, 2021, 4,040,925 (3,991,042 as at December 31, 2020) additional stock options, or other equity based awards were available for grant under the Company's Omnibus Plan.

A summary of the status of the Omnibus Plan as at September 30, 2021 and as at December 31, 2020, and changes during the periods ended on those dates is presented below:

	September 30, 2021			December 31, 2020		
	Number of stock options	Weighted average exercise price	Fair Value Assigned	Number of stock options	Weighted average exercise price	Fair Value Assigned
Outstanding, beginning of the period	2,147,996	\$ 9.43	\$6,888,537	2,364,334	\$ 6.86	\$6,087,224
Granted	-	\$ -	-	847,000	\$ 12.10	3,786,683
Exercised	(498,834)	\$ 7.56	(900,857)	(1,029,339)	\$ 5.72	(2,829,579)
Expired	-	\$ -	-	(29,999)	\$ 7.50	(149,947)
Forfeited	-	\$ -	-	(4,000)	\$ 7.50	(5,844)
Outstanding, end of the period	1,649,162	\$ 9.99	\$5,987,680	2,147,996	\$ 9.43	\$6,888,537

As at September 30, 2021, the Company had stock options issued to directors, officers, employees and contractors of the Company outstanding as follows:

Date of grant	Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
August 15, 2018	56,665	56,665	\$ 7.50	August 15, 2021 *
January 25, 2019	337,999	337,999	\$ 7.50	January 25, 2022
December 9, 2019	409,998	409,998	\$ 8.05	December 9, 2022
December 14, 2020	844,500	421,000	\$ 12.10	December 14, 2023
	1,649,162	1,225,662		

* The expiry of this tranche of options was extended as the Company was on blackout at expiry and up to the date of these statements.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

The fair value of each option is accounted for in the condensed consolidated interim statements of income (loss) and comprehensive income (loss) or capitalized to exploration and evaluation assets over the vesting period of the options, and the related credit is included in contributed surplus.

On December 14, 2020, the Company granted 847,000 incentive stock options with an exercise price of \$12.10 per option to directors, officers and employees of the Company. The stock options have a term of three years and expire on December 14, 2023. The fair value of these options, totalling \$3,786,683, will be recognized (expensed) over the vesting period of one year, of which \$3,374,120 (expensed) has been recognized as at September 30, 2021. The fair value of these options was calculated based on a risk-free annual interest rate of 0.3%, an expected life of 3.0 years, an expected volatility of 55% and a dividend yield rate of nil. This results in an estimated fair value of \$4.47 per option at the grant date using the Black-Scholes option-pricing model.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the above assumptions and a forfeiture rate of 9.4%.

Warrants

The following table summarizes information regarding changes in the Company's warrants outstanding:

	September 30, 2021			December 31, 2020		
	Number of Warrants	Weighted average exercise price	Fair Value	Number of Warrants	Weighted average exercise price	Fair Value
Outstanding, beginning of the period	1,666,667	\$ 9.375	\$ 4,359,345	1,666,667	\$ 9.375	\$ 4,359,345
Outstanding, end of the period	1,666,667	\$ 9.375	\$ 4,359,345	1,666,667	\$ 9.375	4,359,345
	Number of Warrants	Exercise price		Expiry date		
Issued in private placement	1,666,667	\$ 9.375		April 13, 2023		
	1,666,667					

The fair value of the warrants expiring on April 13, 2023 were estimated as of the date of issuance using the Black-Scholes option pricing model with the following assumptions: a risk-free annual interest rate of 2.1%, an expected life of 5 years, an expected volatility of 76% and a dividend yield rate of nil.

These April 13, 2023 warrants are considered financial instruments at fair value through profit or loss. The holder of the warrants may exercise the warrants for the Company's common shares. The warrants have been classified as a financial liability instrument and are recorded at fair value at each reporting period end using a Black-Scholes model. Warrant pricing models require the input of certain assumptions including price volatility and expected life. Changes in these assumptions could affect the reported fair value of the warrants (*Note 12*).

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

17. RELATED PARTIES

Related parties include key management personnel, Orion Mine Finance, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the nine month periods ended September 30, 2021 and September 30, 2020 was as follows:

	September 30, 2021	September 30, 2020
Salaries and other short term employment benefits	\$ 2,428,025	\$ 2,657,640
Share-based compensation	\$ 2,252,388	\$ 42,789

18. COST OF GOODS SOLD

Cost of goods sold include the following components:

	Three month period ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating costs:				
Mining	\$ 18,433,856	\$ 13,901,761	\$ 57,367,950	\$ 13,901,761
Processing	26,513,672	18,540,226	67,580,718	18,540,226
Site services	4,121,413	4,197,438	14,864,944	4,197,438
Site general and administration costs	6,686,005	6,146,662	19,293,557	6,146,662
Royalty	1,290,187	890,318	2,532,786	890,318
Production costs	57,045,133	43,676,405	161,639,955	43,676,405
Change in inventory	(9,057,223)	(9,301,412)	(60,659,340)	(9,301,412)
Total	\$ 47,987,910	\$ 34,374,993	\$ 100,980,615	\$ 34,374,993

19. CORPORATE GENERAL AND ADMINISTRATION

Corporate general and administration costs include the following components:

	Three month period ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Salaries and benefits	\$ 612,360	\$ 742,956	\$ 2,544,408	\$ 2,980,325
Office and administrative	260,039	194,980	679,721	953,381
Share-based payments (Note 16)	331,110	-	1,515,775	30,445
Marketing	225,149	134,524	740,820	572,109
Professional fees	128,944	419,333	489,969	1,379,334
Amortization	26,807	29,710	80,420	87,858
Total	\$ 1,584,409	\$ 1,521,503	\$ 6,051,113	\$ 6,003,452

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

20. FINANCE COSTS

Finance costs include the following components:

	Three month period ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest on debt facilities (Note 11)	\$ 2,262,130	\$ 5,169,233	\$ 7,172,357	\$ 5,169,233
Amortization of deferred financing charges (Note 11)	776,204	329,595	2,559,847	329,595
Interest and bank charges	2,127	6,797	14,553	34,934
Interest expense on leases (Note 10)	36,022	50,946	118,915	160,186
Accretion on reclamation provision	184,400	85,973	337,724	261,089
Total	\$ 3,260,883	\$ 5,642,544	\$ 10,203,396	\$ 5,955,037

21. SEGMENTED INFORMATION

The Company manages its reportable operating segments by operating mines and development projects. A breakdown of mineral properties by geographic expenditures is disclosed in Note 7. The results from operations of these reportable operating segments are summarized in the following tables:

	Eagle Mine	Dublin Gulch	Santa Fe	Corporate and other	Total
Three months ended September 30, 2021					
Revenue	\$ 119,548,442	\$ -	\$ -	\$ -	\$ 119,548,442
Cost of goods sold	47,987,910	-	-	-	47,987,910
Depreciation and depletion	17,922,720	-	-	-	17,922,720
Mine operating earnings	53,637,812	-	-	-	53,637,812
Corporate general & administration	251,641	-	-	1,332,768	1,584,409
Operating earnings (loss)	\$ 53,386,171	\$ -	\$ -	\$ (1,332,768)	\$ 52,053,403
Nine months ended September 30, 2021					
Revenue	\$ 245,806,593	\$ -	\$ -	\$ -	\$ 245,806,593
Cost of goods sold	100,980,615	-	-	-	100,980,615
Depreciation and depletion	43,639,573	-	-	-	43,639,573
Mine operating earnings	101,186,405	-	-	-	101,186,405
Corporate general & administration	862,117	-	-	5,188,996	6,051,113
Operating earnings (loss)	\$ 100,324,288	\$ -	\$ -	\$ (5,188,996)	\$ 95,135,292
September 30, 2021					
Property, plant and equipment	\$ 618,076,817	\$ -	\$ -	\$ 171,760	\$ 618,248,577
Exploration and evaluation assets	\$ -	\$ 35,091,017	\$ 11,864,822	\$ 1,518,434	\$ 48,474,273
Total assets	\$ 760,708,135	\$ 35,091,017	\$ 11,864,822	\$ 19,214,991	\$ 826,878,965

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

	Eagle Mine	Dublin Gulch	Santa Fe	Corporate and other	Total
Three months ended September 30, 2020					
Revenue	\$ 80,526,228	\$ -	\$ -	\$ -	\$ 80,526,228
Cost of goods sold	34,374,993	-	-	-	34,374,993
Depreciation and depletion	12,995,798	-	-	-	12,995,798
Mine operating earnings	33,155,437	-	-	-	33,155,437
Corporate general & administration	180,218	-	-	1,341,285	1,521,503
Operating earnings (loss)	\$ 32,975,219	\$ -	\$ -	\$ (1,341,285)	\$ 31,633,934
Nine months ended September 30, 2020					
Revenue	\$ 80,526,228	\$ -	\$ -	\$ -	\$ 80,526,228
Cost of goods sold	34,374,993	-	-	-	34,374,993
Depreciation and depletion	12,995,798	-	-	-	12,995,798
Mine operating earnings	33,155,437	-	-	-	33,155,437
Corporate general & administration	936,042	-	-	5,067,410	6,003,452
Operating earnings (loss)	\$ 32,219,395	\$ -	\$ -	\$ (5,067,410)	\$ 27,151,985
December 31, 2020					
Property, plant and equipment	\$ 579,364,869	\$ -	\$ -	\$ 252,180	\$ 579,617,049
Exploration and evaluation assets	\$ -	\$ 29,040,083	\$ 10,419,030	\$ 1,566,929	\$ 41,026,042
Total assets	\$ 684,949,058	\$ 29,040,083	\$ 10,419,030	\$ 52,352,446	\$ 776,760,617

22. SUPPLEMENTARY CASH FLOW INFORMATION

	September 30, 2021	December 31, 2020
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to property, plant and equipment and exploration and evaluation asset expenditures	\$ 10,738,846	\$ 5,280,108
Stock-based compensation, capitalized to property, plant and equipment	\$ -	\$ 15,011
Income taxes paid	\$ -	\$ 837,102
Interest paid	\$ 7,286,154	\$ 12,015,295

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

Reconciliation of movements in liabilities to cash flows arising from financing activities:

	Long term debt (Note 11)	Lease liability (Note 10)	Total
Balance December 31, 2020	\$ 264,708,473	\$ 2,133,398	\$ 266,841,871
Changes from financing activities:			
Net proceeds from Credit Facility draws	56,607,170	-	56,607,170
Principal paid	(96,858,495)	(558,782)	(97,417,277)
Interest paid	(7,167,239)	(118,915)	(7,286,154)
	217,289,909	1,455,701	218,745,610
Non-cash changes:			
Balance December 31, 2020			
Lease additions	-	9,068	9,068
Lease disposals	-	(2,681)	(2,681)
Interest expense	6,831,184	118,915	6,950,099
Amortization of deferred financing charges	2,559,847	-	2,559,847
Foreign exchange loss (gain)	763,837	-	763,837
Balance September 30, 2021	\$ 227,444,777	\$ 1,581,003	\$ 229,025,780

23. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial assets and liabilities

The book values of the cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, approximate their respective fair values.

The fair values together with the carrying amounts shown in the statements of financial position are as follows:

	Classification	September 30, 2021		December 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	Level 1	\$ 14,829,155	\$ 14,829,155	\$ 56,136,314	\$ 56,136,314
Restricted cash	Level 1	468,399	468,399	3,153,196	3,153,196
Marketable securities	Level 1	7,456,495	7,456,495	4,373,319	4,373,319
Other receivables	Amortized Cost	5,926,228	5,926,228	3,150,503	3,150,503
Accounts payable and accrued liabilities	Amortized Cost	(51,319,154)	(51,319,154)	(52,057,162)	(52,057,162)
Lease liability	Amortized Cost	(1,581,003)	(1,581,003)	(2,133,398)	(2,133,398)
Debt	Amortized Cost	(227,444,777)	(227,444,777)	(264,708,473)	(264,708,473)
Fair value of derivative instruments	Level 2	23,104,207	23,104,207	48,231,005	48,231,005

The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine month periods ended September 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian Dollars)

(b) Estimation of fair values

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table:

Restricted cash / Securities in listed entities (financial assets at fair value through profit or loss)

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Derivative instruments

The fair value of these derivatives is determined using a valuation model that incorporates such factors as metal prices, metal price volatility, risk-free interest rate and expiry date.

(c) Foreign currency risk

The Company incurs minimal exploration expenditures in the United States and holds a portion of its restricted cash and cash and cash equivalents in US dollars. The Company also has debt facilities in US dollars being utilized. The Company funds certain construction expenditures in US dollars. This gives rise to a risk that its US dollar expenditures and US dollar cash holdings and debt may be adversely impacted by fluctuations in foreign exchange. The Company does not currently undertake currency hedging activities.