

Victoria Gold Reports 2022 First Quarter Results

Toronto, ON / May 12, 2022 / Victoria Gold Corp. (TSX-VGCX) (“Victoria” or the “Company” - <https://www.commodity-tv.com/ondemand/companies/profil/victoria-gold-corp/>) is pleased to announce its first quarter 2022 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 currency figures are Canadian \$ unless stated otherwise.

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, 2022 and 2021, available on the Company’s website or on SEDAR.

First Quarter 2022 Highlights	
Gold produced	24,358 ounces
Average gold price realized	US\$ 1,838
Revenue	US\$ 46,950,612
Gross Profit	US\$ 20,766,149
Net Income	US\$ 12,672,645
Earnings (loss) per share – Basic	US\$ 0.20
EBITDA	US\$ 30,220,630

Mr. John McConnell, President and CEO commented, “Similar to previous years, the Eagle Mine’s gold production profile during 2022 will continue to be seasonal in nature. As summer approaches in the Yukon and the days get longer, we expect increased ore stacking and gold production to result in greater earnings and cashflows.”

Operational Highlights – First Quarter 2022

- **Mine production** was 1.3 million tonnes of ore in the quarter.
- **Ore stacked** on the heap leach pad in the quarter was 0.9 million tonnes at an average grade of 0.72 grams per tonne (g/t).
- **Gold production** was 24,358 ounces in the quarter.

Financial Highlights – First Quarter 2022

- **Gold sold** in the quarter was 25,518 ounces, at an average realized price¹ of \$2,328 (US\$1,838) per ounce.
- Recognized **revenue** was \$59.5 million based on sales of 25,518 ounces of gold in the quarter.
- **Operating earnings** were \$23.5 million in the quarter.
- **Net income** was \$16.0 million, or \$0.25 per share outstanding in the quarter.
- **Cash costs**¹ were \$783 (US\$618) per ounce and all-in sustaining costs (“AISC”)¹ were \$1,904 (US\$1,504) per ounce of gold sold in the quarter.
- **EBITDA**¹ were \$38.3 million in the quarter.

¹ Refer to “Non-IFRS Performance Measures” section.

- **Free cash flow**¹ deficiency was \$40.0 million, or a deficiency of \$0.63 per share¹ in the quarter.
- **Cash and cash equivalents** were \$40.7 million at March 31, 2022 after net draw of \$20.4 million against the Company's debt facilities.

First Quarter Operating Results

		Three months ended	
		March 31, 2022	March 31, 2021
Operating data			
Ore mined	tonnes	1,328,023	1,562,230
Waste mined	tonnes	2,274,894	4,675,295
Total mined	tonnes	3,602,917	6,237,525
Strip ratio	Waste : ore	1.71	2.99
Mining rate	Tonnes per day	40,032	69,311
Ore stacked on pad	tonnes	881,415	950,513
Ore stacked grade	g/t Au	0.72	0.87
Throughput (stacked)	Tonnes per day	9,794	10,567
Gold ounces produced	ounces	24,358	26,759
Gold ounces sold	ounces	25,518	27,538

Gold production and sales

During the three months ended March 31, 2022, the Eagle Gold Mine produced 24,358 ounces of gold, compared to 26,759 ounces of gold production in Q1 2021. The 9% decrease in gold production is attributed to the decrease in ore mined and stacked during the current quarter as well as Q4 2021.

During the three months ended March 31, 2022, the Company sold 25,518 ounces of gold, compared with 27,538 gold ounces sold in Q1 2021. The 7% decrease in gold sold is primarily attributed to the decrease in gold produced.

Mining

During the three months ended March 31, 2022, a total of 1.3 million tonnes of ore were mined, at a strip ratio of 1.7:1 with a total of 3.6 million tonnes of material mined. In comparison, 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 for the prior comparable period in 2021.

Total tonnes mined were 42% lower during the three months ended March 31, 2022 as a result of sufficient stockpiles of ore and low stripping requirements for the current period.

Processing

During the three months ended March 31, 2022, a total of 881,000 tonnes of ore was stacked on the heap leach pad at a throughput rate of 9,800 tonnes per day. A total of 951,000 tonnes of ore was stacked on the heap leach pad at a throughput rate of 10,600 tonnes per day for the prior comparable period in 2021.

Ore stacked on the pad decreased by 7% for the three months ended March 31, 2022 as a result of higher frequency of cold weather operational delays and supply chain challenges which increased unplanned maintenance.

As expected, ore for the quarter had an average grade of 0.72 g/t Au, compared to 0.87 g/t Au in the prior comparable period in 2021 due to mine sequencing.

As at March 31, 2022, the Company estimates there are 102,467 recoverable ounces within mineral inventory.

Capital

The Company incurred a total of \$28.0 million in capital expenditures during the three months ended March 31, 2022 including:

- (1) sustaining capital of \$18.4 million, including:
 - i. scheduled capital component rebuilds on mobile mining fleet,
 - ii. expansion to the heap leach pad,
 - iii. final construction on the truck shop, and
 - iv. construction of the water treatment facility;
- (2) capitalized stripping activities of \$9.2 million;
- (3) \$3.3 million growth capital expenditures (growth exploration and mine expansion), and;
- (4) \$2.9 million adjustment to the Company's asset retirement obligation during the quarter.

First Quarter Financial Results

	Three months ended	
	March 31, 2022	March 31, 2021
Financial data		
Revenue	\$ 59,453,560	62,749,024
Gross profit	\$ 26,296,174	24,831,749
Net income	\$ 16,047,370	31,800,928
Earnings per share – Basic	\$ 0.25	0.51
Earnings per share - Diluted	\$ 0.24	0.48

	As at	
	March 31, 2022	December 31, 2021
Financial position		
Cash and cash equivalents	\$ 40,694,558	31,250,867
Working capital	\$ 118,217,121	62,807,859
Property, plant and equipment	\$ 641,108,645	626,400,098
Total assets	\$ 958,334,820	891,386,863
Long-term debt	\$ 177,499,720	151,250,785

Revenue

For the three months ended March 31, 2022, the Company recognized revenue of \$59.5 million compared to \$62.7 million for the previous year's comparable period. The decrease in revenue is attributed to a lower number of gold ounces sold, partially offset by a higher average realized price. Revenue is net of treatment and refining charges, which were \$0.1 million for the three months ended March 31, 2022. The Company sold 25,518 ounces of gold at an average realized price of \$2,328 (US\$1,838) (see "Non-IFRS Performance Measures" section), compared to 27,538 ounces at an average realized price of \$2,274 (US\$1,795) (see "Non-IFRS Performance Measures" section), in the first quarter of 2021.

Cost of goods sold

Cost of goods sold was \$20.1 million for the three months ended March 31, 2022 compared to \$25.3 million for the previous year's comparable period. The decrease in cost of goods sold is primarily attributed to the change in inventory.

Depreciation and depletion

Depreciation and depletion was \$13.1 million for the three months ended March 31, 2022 compared to \$12.6 million for the previous year's comparable period. 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.

Liquidity and Capital Resources

At March 31, 2022, the Company had cash and cash equivalents of \$40.7 million (December 31, 2021 - \$31.3 million) and a working capital surplus of \$118.2 million (December 31, 2021 - \$62.8 million surplus). The increase in cash and cash equivalents of \$9.4 million over the year ended December 31, 2021, was due to financing activities (\$47.8 million increase in cash) from shares issued for cash and draws made on credit facilities and long term debt. This is partially offset by operating activities and changes in working capital including foreign exchange losses on cash balances (\$6.7 million decrease in cash) and investing activities (\$31.5 million decrease in cash) primarily from capital expenditures incurred at the Eagle Gold Mine.

2022 Outlook

Outlook includes forward-looking statements which are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. See the end of this news release "Cautionary Language and Forward-Looking Statements".

Victoria's operational outlook assumes that operations will continue without any significant COVID-19 related interruptions. 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. Refer to the "Risk and Uncertainties" section of this MD&A.

2022 production and cost guidance is unchanged from when it was originally estimated and released in March 2022.

Production at the Eagle Gold Mine for 2022 is estimated to be between 165,000 and 190,000 ounces.

Mining, crushing, irrigation of ore on the heap leach pad and gold production are all expected to operate at full capacity during 2022. Stacking of ore on the heap leach pad was paused for six weeks in the first quarter of 2022 (late January through early March 2022) for regularly scheduled maintenance activities. Gold production, which lags stacking activities in heap leach operations, will have a seasonal bias due to the winter scheduled maintenance program which will result in lower gold production in the first half of 2022 and higher production in the last half of 2022, similar to 2021.

AISC¹ for 2022 are expected to be between US\$1,225 and US\$1,425 per ounce of gold sold.

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

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*.

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 new 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.

For Further Information Contact:

John McConnell
President & CEO
Victoria Gold Corp.
Tel: 604-696-6605
ceo@vgcx.com

In Europe:
Swiss Resource Capital AG
Jochen Staiger
info@resource-capital.ch
www.resource-capital.ch