

Victoria Gold: 2024 First Quarter Results

Toronto, ON / May 13, 2024 / Victoria Gold Corp. (TSX-VGCX) (“Victoria” or the “Company”) - <https://www.commodity-tv.com/ondemand/companies/profil/victoria-gold-corp/> - herein provides its first quarter 2024 summary financial and operating results.

Highlights	First Quarter
Gold produced (ounces)	29,580
Average gold price realized (per ounce)	C\$ 2,724
Revenue (000s)	C\$ 82,982
Gross profit (000s)	C\$ 8,977
Loss before taxes (000s)	C\$ 12,149
Net loss (000s)	C\$ 8,971
Net loss per share – Basic	C\$ 0.13
Adjusted net income (000s)*	C\$ 3,631
Adjusted net income per share – Basic	C\$ 0.05
EBITDA (000s)	C\$ 12,217
Operating cash flow before working capital (000s)	C\$ 23,712
Operating cash flow after working capital (000s)	C\$ 30,019
Free cash flow before working capital (000s)	C\$ 7,122
Free cash flow after working capital (000s)	C\$ 13,429

*Adjusted net income is Net loss less Loss on marketable securities, Loss from equity investment, Loss on derivatives and Foreign exchange loss

Mr. John McConnell, President and CEO commented, “While gold production during the first quarter was lower than target, we still managed to generate positive free cash flow before and after working capital adjustments. Higher gold grade and stacked ore tonnage are expected to lead to elevated gold production, revenues, profits and cash flows through the remainder of 2024.”

The Company will host a video conference call on Tuesday, May 14th at 7:00am PST (10:00am EST) to discuss the first quarter ended March 31, 2024 consolidated results (call-in details are provided at the end of this news release).

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, 2024 and 2023, available on the Company’s website or on Sedar+.

Operational highlights – First Quarter 2024

- **Mine production** was 1.9 million tonnes (“t”) of ore in the quarter.
- **Ore stacked** on the heap leach facility (“HLF”) in the quarter was 2.0 million t at an average grade of 0.63 grams per tonne (“g/t”).
- **Gold production** was 29,580 ounces (“oz”) in the quarter.

Financial highlights – First Quarter 2024

- **Gold sold** in the quarter was 30,491 oz, at an average realized price¹ of \$2,724 (US\$2,019) per oz.
- Recognized **revenue** was \$83.0 million based on sales of 30,491 oz of gold in the quarter.
- **Operating earnings** were \$5.9 million in the quarter.

- **Loss** before tax was \$12.1 million in the quarter.
- **Net loss** was \$9.0 million, or \$0.13 per share on a basic basis for the quarter.
- **Adjusted net income** (net loss less loss on marketable securities, loss from equity investment, loss on derivatives and foreign exchange loss) was \$3.6 million, or \$0.05 per share on a basic basis.
- **Cash costs**¹ were \$1,845 (US\$1,368) per oz and all-in sustaining costs (“**AISC**”)¹ were \$2,304 (US\$1,708) per oz of gold sold in the quarter.
- **EBITDA**¹ was \$12.2 million in the quarter.
- **Operating cash flow** before working capital was \$23.7 million in the quarter.
- **Operating cash flow** after working capital was \$30.0 million in the quarter.
- **Free cash flow**¹ before working capital was \$7.1 million in the quarter.
- **Free cash flow**¹ after working capital was \$13.4 million in the quarter.
- **Total debt** decreased by \$3.6 million in the quarter.
- **Cash and cash equivalents** were \$28.5 million at March 31, 2024.

First Quarter 2024 Operating Results

		THREE MONTHS ENDED	
		March 31, 2024	March 31, 2023
Operating data			
Ore mined	t	1,929,936	2,151,804
Waste mined	t	2,940,217	3,073,222
Total mined	t	4,870,153	5,225,026
Strip ratio	w:o	1.52	1.43
Mining rate	tpd	53,518	58,056
Ore stacked on pad	t	1,994,482	2,094,741
Ore stacked grade	g/t Au	0.63	0.86
Throughput (stacked)	tpd	21,917	23,275
Gold ounces produced	oz	29,580	37,619
Gold ounces sold	oz	30,491	38,201

Notes - Strip ratio: waste to ore (“w:o”)
 Mining rate: tonnes per day (“tpd”)

Operations Discussion

Gold production and sales

During the three months ended March 31, 2024, the Eagle Gold Mine produced 29,580 ozs of gold, compared to the 37,619 ozs of gold production in Q1 2023. The 21% decrease in gold production is attributed to lower grades related to mine sequencing of the Eagle orebody, the timing of placing stacked tonnes under leach, and lower than planned stacking rates.

During the three months ended March 31, 2024, the Company sold 30,491 ozs of gold, compared to the 38,201 ozs of gold sold in Q1 2023. The 20% decrease in gold sold is the result of decreased gold production.

Mining

During the three months ended March 31, 2024, a total of 1.9 million tonnes of ore was mined, at a strip ratio of 1.52:1 with a total of 4.9 million tonnes of material mined. In comparison, a total of 2.2 million

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

tonnes of ore was mined, at a strip ratio of 1.43:1 with a total of 5.2 million tonnes of material mined for the prior comparable period in 2023.

Total tonnes mined were 7% lower during the three months ended March 31, 2024 primarily due to reduced heavy mobile equipment availability due to planned component replacements for mid-life rebuilds and unplanned maintenance requirements on certain equipment including production drills and loading units.

Processing

During the three months ended March 31, 2024, a total of 2.0 million tonnes of ore was stacked on the HLF at a throughput rate of 21.9 k tpd. This is in line with the 2.1 million tonnes of ore stacked on the HLF at a throughput rate of 23.3 k tpd for the prior comparable period in 2023.

Ore stacked for the quarter had an average grade of 0.63 g/t Au, compared to 0.86 g/t Au in the prior comparable period in 2023. The lower grade in the quarter was due to the sequencing of the mine plan.

As at March 31, 2024, the Company estimates there are 83,118 recoverable oz within mineral inventory.

Capital

The capital outlined in this section is based on incurred capital and does not include certain working capital adjustments, specifically, changes to accounts payable relating to capital assets. Capital shown within Investing activities on the Condensed Consolidated Interim Statements of Cash Flows includes changes in accounts payable relating to capital assets. Note that the Company's forward Guidance with respect to capital is based on incurred capital.

The Company incurred a total of \$13.9 million in capital expenditures during the three months ended March 31, 2024:

- (1) sustaining capital of \$3.3 million, including:
 - i. scheduled capital component rebuilds on mobile mining fleet of \$2.5 million, and
 - ii. upgrades and capital component rebuilds on the material handling system of \$0.8 million;
- (2) capitalized stripping activities of \$9.1 million, and
- (3) \$1.5 million spend on growth capital expenditures including growth exploration.

First Quarter 2024 Financial Results

Expressed in 000s, except per share amounts	THREE MONTHS ENDED	
	March 31, 2024	March 31, 2023
Financial data		
Revenue	\$ 82,982	96,549
Gross profit	\$ 8,977	20,984
Net income (loss)	\$ (8,971)	983
Earnings (loss) per share – Basic	\$ (0.13)	0.02
Earnings (loss) per share - Diluted	\$ (0.13)	0.02

Expressed in 000s, except per share amounts	As at	As at
	March 31, 2024	December 31, 2023
Financial position		
Cash and cash equivalents	\$ 28,495	14,971
Working capital	\$ 148,106	147,029
Property, plant and equipment	\$ 677,078	675,660
Total assets	\$ 1,035,157	1,016,886

Expressed in 000s, except per share amounts		As at March 31, 2024	As at December 31, 2023
Long-term debt	\$	192,292	190,868

Revenue

For the three months ended March 31, 2024, the Company recognized revenue of \$82.9 million compared to \$96.5 million for the previous year's comparable period. The decrease in revenue is attributed by the lower number of gold oz sold, partially offset by a higher average realized price. Revenue is net of treatment and refining charges, which were \$0.3 million for the three months ended March 31, 2024. The Company sold 30,491 oz of gold at an average realized price of \$2,724 (US\$2,019) (see "Non-IFRS Performance Measures" section), compared to 38,201 oz at an average realized price of \$2,526 (US\$1,867) (see "Non-IFRS Performance Measures" section), in the first quarter of 2023.

Cost of goods sold

Cost of goods sold was \$56.5 million for the three months ended March 31, 2024 compared to \$57.9 million for the previous year's comparable period. The decrease in cost of goods sold is attributed to lower gold oz sold, partially offset by higher costs due to inflation.

Depreciation and depletion

Depreciation and depletion was \$17.5 million for the three months ended March 31, 2024, compared to \$17.6 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, 2024, the Company had cash and cash equivalents of \$28.5 million (December 31, 2023 - \$15.0 million) and a working capital surplus of \$148.1 million (December 31, 2023 - \$147.0 million surplus). The increase in cash and cash equivalents of \$13.5 million over the year ended December 31, 2023 was due to operating activities (\$30.0 million increase in cash), primarily from operating cash flow before working capital adjustments. This is partially offset by investing activities (\$11.9 million decrease in cash) from the purchase of property, plant and equipment and financing activities (\$5.0 million decrease in cash) from interest paid and debt repayments partially offset by a flow-through equity issuance.

2024 Outlook

Note that cost information, including AISC¹ and capital, within this MD&A are generally in Canadian currency. However, in this Outlook section, costs, including AISC¹ and capital, are in US currency to allow for ease of comparison with our peers, who often report in US currency.

2024 production and cost guidance is unchanged from when it was originally estimated and released in February 2024.

Production at the Eagle Gold Mine for 2024 is estimated to be between 165,000 and 185,000 ozs.

Although seasonal production fluctuations were reduced in 2023 due to year-round stacking, some production seasonality is expected to continue. Stacking is generally strongest during the summer months and higher gold production generally follows in the second half of the year.

AISC¹ for 2024 are estimated to be between US\$1,450 and US\$1,650 per oz of gold sold.

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

Sustaining capital, not including waste stripping, is estimated at C\$30 million (US\$23 million) for 2024. Major items included in 2024 sustaining capital include mobile equipment rebuilds and fixed maintenance rebuilds.

Capitalized waste stripping is estimated at C\$35 million (US\$26 million) and is included in AISC¹ but is not included in the sustaining capital above. Waste stripping will be expensed or capitalized based on the actual quarterly stripping ratio versus the expected life of mine stripping ratio and may be quite variable quarter over quarter and year over year. Waste stripping in 2024 is expected to be higher than the life of mine average annual waste stripping. This accounting treatment for waste stripping will affect earnings and capital but will not affect AISC¹ or cash flow.

Growth capital related to Eagle Gold Mine expansion initiatives is estimated at C\$15 million (US\$11 million) for 2024 and includes heap leach pad expansion. In addition, growth exploration spending in 2024 is estimated to be C\$10 million (US\$8 million).

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*.

Video Conference Call Details

The video conference call to discuss the 2024 first quarter operating and financial results and updates will take place on **Tuesday, May 14th at 7:00am PST (10:00am EST)**.

Zoom Video Conference Details

Victoria Gold Corp invites you to join the video conference via Zoom.

Join Zoom Meeting

<https://us02web.zoom.us/j/86982266437?pwd=Mnp5MUpMb0NyMFY2NHJOV0ZnZGZkZz09&from=addon>

Meeting ID: 869 8226 6437

Find your local number:

<https://us02web.zoom.us/j/kp77hA9NE>

A playback version will be available following the call on the Company’s website at www.vgcx.com

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. As at December 31, 2023, and adjusting for mining depletion through this date, the Eagle and Olive Deposits include Proven and Probable Reserves of 2.3 million ounces of gold from 114 million tonnes of ore with a grade of 0.63 grams of gold per tonne. As at December 31, 2023, and adjusting for mining depletion through this date, the Mineral Resource for the Eagle and Olive Gold Deposits are estimated to host 234 million tonnes averaging 0.59 grams of gold per tonne, containing 4.4 million ounces of gold in the "Measured and Indicated" category, inclusive of Proven and Probable Reserves, and a further 36 million tonnes averaging 0.63 grams of gold per tonne, containing 0.7 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 the intended use of proceeds from the Term Facility and the Revolving Credit Facility, the amended terms and conditions of the Loan Facility, and 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 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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