

Victoria Gold Reports Third Quarter 2020 Operating and Financial Results

Inaugural Revenue and Earnings from Operations

Toronto, ON / November 13, 2020 / Victoria Gold Corp. (TSX-VG CX) (“Victoria” or the “Company”) is pleased to announce its results for the third quarter ended September 30, 2020. This is the Company’s first quarter of Commercial Production (see press release dated July 1, 2020). All amounts are in Canadian dollars unless otherwise indicated.

Mr. John McConnell, President and CEO commented, “These inaugural financial statements under Commercial Production show the very early returns from many years, of dedicated work, conviction and investment. These transformative efforts have set Victoria Gold and its stakeholders up to begin reaping great benefit from all of the past and continuing efforts. Aside from the usual teething issues and learning curve experiences common to all start-ups, we are very pleased with our progress as we have moved in to and beyond Commercial Production and remain highly confident the best is yet to come over a very long mine life.”

This release should be read in conjunction with the Company’s September 30, 2020 Financial Statements and Management’s Discussion and Analysis (“MD&A”) available on the Company’s website or on SEDAR.

Operational Highlights

- **Achieved Commercial Production** at Eagle Gold Mine on July 1, 2020.
- **Mine production** in the quarter was 2.1 million tonnes of ore.
- **Ore stacked** on the heap leach pad in the quarter was 1.9 million tonnes at an average grade of 0.85 grams per tonne (g/t).
- **Gold production** was 35,312 ounces in the quarter.

Financial Highlights (Commercial Production)

- **Gold sold** in the quarter was 32,029 ounces, at an average realized price¹ of \$2,512 (US\$1,886) per oz.
- Recognized **revenue** of \$80.5 million, based on sales of 32,029 ounces of gold in the quarter.
- **Operating Earnings** were \$31.6 million for the quarter.
- **Cash costs**¹ of \$1,071 (US\$804) per oz and **all-in sustaining costs** (“AISC”) ¹ of \$1,752 (US\$1,315) per oz of gold sold for the quarter.
- **Cash and cash equivalents** were \$40 million at September 30, 2020 after repaying \$35.6 million of principal payments against the Company’s debt facilities for the nine months ended September 30, 2020.

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

Third Quarter 2020 Operating Results

		Three months ended September 30, 2020	Nine months ended September 30, 2020 ⁽¹⁾
Operating data			
Ore mined	Tonnes	2,077,132	5,281,938
Waste mined	Tonnes	4,434,163	9,285,388
Total mined	Tonnes	6,511,295	14,567,326
Strip ratio	(waste to ore)	2.13	1.76
Mining rate	Tonnes/day	70,775	53,165
Ore stacked on pad	Tonnes	1,909,412	4,954,853
Ore stacked grade	g/t Au	0.85	0.86
Throughput (stacked)	Tonnes/day	20,754	18,083
Gold ounces produced	ozs.	35,312	74,355
Gold ounces sold	ozs.	32,029	62,528

(1) Note the disclosure of operating results and supporting discussion in this news release does not present comparative statistics for the prior year as the Eagle Gold Mine commenced Commercial Production effective July 1, 2020.

Gold production and sales

During the three months ended September 30, 2020, the Eagle Gold Mine produced 35,312 ounces of gold. During the three months ended September 30, 2020, the Company sold 32,029 ounces of gold.

Mining

During the three months ended September 30, 2020, a total of 2.1 million tonnes of ore were mined, at a strip ratio of 2.1:1 with a total 6.5 million tonnes material mined.

Mining and processing activities continued to ramp up toward full production during the third quarter of 2020. Total tonnes mined were above forecast while ore mined was lower than forecast due to bottlenecks being resolved within the processing circuit. This allowed the mine to utilize available resources to advance waste stripping to ease future ore release requirements.

Processing

During the three months ended September 30, 2020, a total of 1.9 million tonnes of ore was stacked on the heap leach pad at an average head grade of 0.85 g/t Au. The throughput rate was 20.8 k tonnes per day.

Tonnes stacked on the heap leach pad increased during Q3 2020, however, total tonnes stacked and resultant gold production was lower than forecast. Importantly, both gold grade and metallurgical recoveries are reconciling well against the Eagle reserve model and a significant gold inventory is building on the heap leach pad.

A number of improvements related to material handling within the process circuit were completed, or are in progress, during the quarter. These corrective measures are significantly improving reliability and, in turn, will improve ore stacking and gold production going forward. Optimization activities in Q3 included:

Optimization Activity	Details	Progress
Tertiary stockpile feeders and crusher feed chutes	Improved design to reduce maintenance requirements and increase productivity.	Complete
Equipment protective wear	Enhanced liner design and product selection to significantly increase wear life, reduce maintenance	In progress, 70%

Optimization Activity	Details	Progress
liners	requirements and down time.	complete
Control systems	Process logic upgrades to reduce nuisance trips and improve start-up times.	Complete
Dust suppression in secondary/tertiary crusher building	Improved spillage & dust suppression to improve safety and productivity.	Complete
Grasshopper conveyors on HLP	Increasing horse power to allow for improved capacity and production.	Expected to be complete in Q4 2020

Sustaining capital

The Company incurred a total of \$20.0 million in sustaining capital expenditures during the three months ended September 30, 2020. Significant sustaining capital expenditures during the period included Phase 1B heap leach facility infrastructure \$4.4 million, upgrades to the material handling system including chute liners \$2.4 million, spares for the CAT 6040 shovels \$1.3 million and capitalized stripping costs \$6.9 million.

2020 Operational Guidance

On July 14, 2020, the Company provided inaugural guidance for the Eagle Gold Mine. The following table shows the tracking of the Company's performance to these guidelines:

		H2 2020 Guidance (as at July 14, 2020)	Q3 Achievement
Gold production	ozs.	85,000 - 100,000	35,312
AISC	US\$/oz sold	\$950 - \$1,100	\$1,315

Material handling improvements within the process circuit are proceeding well. A comprehensive Operations Reliability Enhancement Phase is well underway to improve equipment mechanical availability and maintenance practices. The primary goal of the Operations Reliability Enhancement Phase is to increase plant uptime and thereby achieve throughput design capacity and lower unit costs. Key areas for improvement include: feeder and feed chute design; wear liner selection and design; control logic improvements in the process system and addressing under designed capacity of the mobile grasshopper conveyor stacking system on the heap leach pad.

The initial feeder and feed chute designs have proven to be overly complex with many wear liner configurations, insufficient access and limited inspection hatches. The feeders, which feed ore to the tertiary screens and crushers, have been reconfigured to a conveyor style arrangement. This has greatly reduced liner wear and belt damage both of which have significantly reduced maintenance requirements and improved uptime. Feed chutes have been redesigned to ensure a high level of commonality in wear liner packages, reducing inventory and simplifying maintenance requirements. The feed chute design enhancements have also improved maintenance access and increased the number of inspection hatches. Combined these improvements enable better asset management and speed up maintenance operations.

The ore has proven to be more abrasive than initially assumed in the detailed design. This has caused significantly more liner wear than expected, requiring more frequent maintenance downtime and increased cost. Increased abrasion is being addressed by switching to high abrasion cast liners which significantly improve uptime and overall reliability. Liner design and molds are complete and the new liner packages are arriving on site through the course of Q4. On site testing of these liners have demonstrated to be very effective in reducing wear and improving plant uptime.

Considerable process control logic enhancements were possible now that a baseline of operational history has been established. The control logic was originally established during the last stages of construction and while the basic framework was in place, our plant operators were able to make considerable improvements to the way the plant is controlled and operated.

Some components of the mobile conveyor stacking system used on the heap leach pad to convey material to the active leaching face have under designed motor capacity. Specifically, there are 8 mobile grasshopper units that are powered via a single 75 horsepower motor. These units have demonstrated a conveyance capacity that is 80-85% of design capacity and, being the last piece of equipment along the line, are bottlenecking throughput on all upstream equipment. The grasshoppers in question are readily modified to accept 200 horsepower motors. All material for the modifications have been ordered and are expected to arrive in Q4. Once all the grasshoppers have been upgraded to 200 horsepower the system will be capable of higher hourly throughput tonnages.

Lastly, as operations have ramped up, the Covid-19 pandemic has persisted and has had an adverse impact on operational performance. We have benefited from the Yukon Government deeming mining an essential service to ensure operations have continued uninterrupted. However, government mandated restrictions have had a manageable but significant impact on employee turn-over, on site vendor support, supply chain operations and costs. Positively, the efforts of government and the company have ensured continued operations to date and no known cases of Covid-19 at site as of the date of this MD&A.

Revised H2 2020 Guidance

The Company has updated its inaugural guidance, previously disclosed on July 14, 2020, for the Eagle Gold Mine. The following table shows the tracking of the Company's performance to these revised guidelines:

		Revised H2 2020 Guidance (revised on Nov. 13, 2020)	Q3 Achievement
Gold production	ozs.	72,000 - 77,000	35,312
AISC	US\$/oz sold	\$1,175 - \$1,275	\$1,315

Third Quarter 2020 Financial Results

		Three months ended September 30, 2020	Nine months ended September 30, 2020 ⁽¹⁾
Financial data			
Revenue	\$	80,526,228	80,526,228
Gross profit	\$	33,155,437	33,155,437
Net income (loss)	\$	20,272,444	(39,959,228)
Earnings per share - Basic	\$	0.328	(0.666)
Earnings per share - Diluted	\$	0.312	(0.666)
Financial position			
Cash and cash equivalents	\$		39,972,714
Working capital	\$		(6,515,101)

	Three months ended September 30, 2020	Nine months ended September 30, 2020 ⁽¹⁾
Property, plant and equipment	\$	576,001,626
Total assets	\$	756,368,858
Long-term debt	\$	229,944,777

(1) Eagle Gold Mine commenced Commercial Production effective July 1, 2020. As such, only financial data from this date are recognized in the Company's condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the nine months ended September 30, 2020 and in this table. Financial operating results prior to that were capitalized to mineral properties within property, plant and equipment.

Revenue

Since the start of Commercial Production on July 1, 2020, the Company sold 32,029 ounces of gold at an average realized price of \$2,512 (US\$1,886) (see "Non-IFRS Performance Measures" section) resulting in revenue of \$80.5 million. Revenue is net of treatment and refining charges, which were \$0.2 million for the third quarter.

Cost of goods sold

Cost of goods sold of \$34.4 million for the third quarter are comprised of production costs, (including mining, processing, and site general and administration costs), royalty and selling costs.

Depreciation and depletion

Depreciation and depletion was \$13.0 million since the start of commercial production. Assets are depreciated on a straight-line basis over their useful life, or depleted on a units-of-production basis over the reserves to which they relate.

Net income (loss)

The Company reported income of \$20.3 million for the third quarter, compared to a loss of \$21.5 million for the previous quarter. The increase in net income is the result of operating earnings, partially offset by finance costs and unrealized and realized losses on derivative instruments.

Liquidity and Capital Resources

At September 30, 2020, the Company had cash and cash equivalents of \$40.0 million and a working capital deficit of \$6.5 million compared to cash and cash equivalents of \$16.9 million and a working capital deficit of \$54.7 million at December 31, 2019. The increase in cash and cash equivalents of \$23.1 million, was due to operating activities and changes in working capital including foreign exchange gains on cash balances (\$72.4 million increase in cash), partially offset by investing activities (\$49.3 million decrease in cash) from construction of the Eagle Gold Mine and exploration and evaluation, net of amounts received from a prior period property sale.

Impact of COVID-19

The Company's primary commitment is the safety and health of our workforce and neighbouring communities in central Yukon. There were no cases of COVID-19 identified at the Eagle Gold Mine as of November 13, 2020.

The Company continues to follow strict Covid-19 protocols at the Eagle Mine site as well as across the Company's work locations. The Eagle Gold Mine site continues to operate on a 4 week in / 4 week out schedule rather than the normal pre-Covid-19 2 week in / 2 week out schedule.

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*.

Conference Call

The conference call to discuss the third quarter 2020 operating and financial results and updates will take place on **Monday, November 16, 2020 at 9:00am PT (12:00 pm ET)**. Call in details will be available on the Company's website.

An recording of the conference call will be available on the Company's website at www.vgcx.com following the call.

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

This news release refers to certain financial measures, such as average realized gold price per oz sold, cash operating cost per oz sold and all-in sustaining cost, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of commercial production, they are of assistance in the understanding of the results of operations and its financial position. Please refer to the Company's MD&A for the third quarter of 2020 for an explanation of non-IFRS measures used.

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 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: 604-695-6605
ceo@vgcx.com