

Victoria Gold: 2022 Fourth Quarter & Full Year Results

Toronto, ON / February 22, 2023 / Victoria Gold Corp. (TSX-VGCX) (“Victoria” or the “Company”) is pleased to announce its fourth quarter and year ended December 31, 2022 summary financial and operating results. The Company will host a video conference call on Thursday, February 23rd at 6:00am PST (9:00am EST) to discuss the fourth quarter and year ended December 31, 2022 consolidated results (call-in details are provided at the end of this news release). The Company uses certain non-IFRS performance measures throughout this news release. Please refer to the “Non-IFRS Performance Measures” section of this new release for more information. All currency figures are in Canadian \$ unless otherwise indicated.

All amounts are in Canadian dollars unless otherwise indicated. This release should be read in conjunction with the Company’s Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the years ended December 31, 2022 and 2021, available on the Company’s website or on SEDAR.

2022 Highlights	
Gold produced	150,182 ounces
Average gold price realized	C\$ 2,306
Revenue (000s)	C\$ 321,843
Gross Profit (000s)	C\$ 87,732
Net Income (000s)	C\$ 35,040
Earnings per share – Basic	C\$ 0.55
EBITDA (000s)	C\$ 140,454

“With 2022 gold production of over 150,000 ounces combined with robust gold prices, the Eagle Mine generated significant positive gross profit, net income and EBITDA.”, noted Mr. John McConnell, President and CEO. “However, gold production was negatively impacted by a number of challenges which reduced availability of the crushing and conveying circuit. This resulted in gold production missing our expectations and unit costs higher than anticipated. We have significantly improved our operational and maintenance staffing and protocols and will implement further strategies to continue the improvement program throughout 2023. This is expected to result in material production increases during 2023 which is anticipated to lead to higher margins, earnings and cash flows.”

Operational highlights – Fourth Quarter and Year Ended 2022

- **Mine production** was 1.6 million tonnes of ore in the quarter. Mine production for the year was 7.1 million tonnes of ore.
- **Ore stacked** on the heap leach facility (“HLF”) in the quarter was 1.4 million tonnes at an average grade of 0.90 grams per tonne (“g/t”). Ore stacked for the year was 6.6 million tonnes at an average grade of 0.85 g/t.
- **Gold production** was 43,741 ounces (“oz”) in the quarter. Gold production for the year was 150,182 oz.

Financial highlights – Fourth Quarter and Year Ended 2022

- **Gold sold** in the quarter was 40,573 oz, at an average realized price¹ of \$2,278 (US\$1,678) per oz. Gold sold for the year was 139,596 oz, at an average realized price¹ of \$2,306 (US\$1,772) per oz.
- Recognized **revenue** was \$92.3 million based on sales of 40,573 oz of gold in the quarter. Recognized revenue was \$321.8 million based on sales of 139,596 oz of gold for the year.
- **Operating earnings** were \$23.2 million in the quarter. Operating earnings were \$79.1 million for the year.
- **Net income** was \$10.5 million, or \$0.16 per share on a basic basis and \$0.16 per share on a diluted basis for the quarter. Net income was \$35.0 million, or \$0.55 per share on a basic basis and \$0.54 per share on a diluted basis for the year.
- **Cash costs**¹ were \$1,249 (US\$920) per oz and all-in sustaining costs (“AISC”)¹ were \$1,868 (US\$1,376) per oz of gold sold in the quarter. Cash costs¹ were \$1,191 (US\$916) per oz and AISC¹ of \$1,875 (US\$1,441) per oz of gold sold for the year.
- **EBITDA**¹ were \$35.2 million in the quarter. EBITDA¹ were \$140.5 million for the year.
- **Free cash flow**¹ deficiency was \$9.2 million, or \$0.14 per share¹ in the quarter. Free cash flow¹ deficiency was \$53.5 million, or a deficiency of \$0.83 per share¹ for the year.
- **Cash and cash equivalents** were \$20.6 million at December 31, 2022 after net draw of \$2.8 million against the Company’s debt facilities for the year.

Fourth Quarter and Year to Date 2022 Operating Results

		Three months ended		Years ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating data					
Ore mined	t	1,552,756	2,515,702	7,108,091	9,488,128
Waste mined	t	2,916,476	3,200,397	10,408,166	15,028,269
Total mined	t	4,469,232	5,716,099	17,516,257	24,516,397
Strip ratio	w:o	1.88	1.27	1.46	1.58
Mining rate	tpd	48,579	62,132	47,990	67,168
Ore stacked on pad	t	1,363,841	2,539,309	6,619,872	9,157,313
Ore stacked grade	g/t Au	0.90	0.83	0.85	0.85
Throughput (stacked)	tpd	14,824	27,601	18,137	25,089
Gold produced	oz	43,741	49,496	150,182	164,222
Gold sold	oz	40,573	49,219	139,596	158,736

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

Results vs. Revised 2022 Guidance

The Company issued original 2022 Guidance for the Eagle Gold Mine on March 24, 2022, which consisted of a gold production target of 165,000-190,000 ounces and AISC¹ range of US\$1,225-\$1,425 per ounce. On October 4, 2022, as a result of a major failure of the overland conveyor belt which curtailed crushing, conveying and ore stacking on the heap leach pad for approximately 18 days, the Company retracted its 2022 production and cost guidance. Actual 2022 gold production was 150,182 ozs while AISC were US\$1,441 per oz of gold sold for the year.

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

Gold production and sales

During the three months ended December 31, 2022, the Eagle Gold Mine produced 43,741 ounces of gold, compared to the 49,496 ounces of gold production in Q4 2021. During the year ended December 31, 2022, the Eagle Gold Mine produced 150,182 ounces of gold, compared to the 164,222 ounces of gold production for the prior year comparable period. Fourth quarter and full year 2022 production results were below expectations. Mechanical availability of the crushing and conveying circuit was lower than anticipated. The most significant reason for the lower mechanical availability was the failure of the belt on the overland conveyor late in Q3 2022 resulting in approximately 18 days of downtime and lower quarter-over-quarter and year-over-year gold production.

During the three months ended December 31, 2022, the Company sold 40,573 ounces of gold, compared to the 49,219 gold ounces sold in Q4 2021. During the year ended December 31, 2022, the Company sold 139,596 ounces of gold, compared to the 158,736 gold ounces sold in the prior year comparable period. Fourth quarter and full year 2022 gold sales results were below expectations due to the reasons mentioned in the production discussion above.

Mining

During the three months ended December 31, 2022, a total of 1.6 million tonnes of ore was mined, at a strip ratio of 1.88:1 with a total of 4.5 million tonnes of material mined. In comparison, a total of 2.5 million tonnes of ore was mined, at a strip ratio of 1.27:1 with a total of 5.7 million tonnes of material mined for the prior comparable period in 2021.

Total tonnes mined were 22% lower during the three months ended December 31, 2022. Ore tonnes mined were 39% lower due to lower ore stacking in the period, which is discussed in further detail in the Processing section herein. Waste tonnes mined were 9% lower year-over-year as stripping requirements did not necessitate additional material to be mined.

During the year ended December 31, 2022, a total of 7.1 million tonnes of ore were mined, at a strip ratio of 1.46:1 with a total of 17.5 million tonnes of material mined. In comparison, a total of 9.5 million tonnes of ore were mined, at a strip ratio of 1.58:1 with a total of 24.5 million tonnes of material mined for the prior comparable period in 2021.

Total tonnes mined were 29% lower during the year ended December 31, 2022 compared with the same period in 2021. Ore tonnes mined were 26% lower year-over-year, primarily due to foregoing stacking run of mine ("ROM") material during the year. ROM material was either stockpiled or wasted in 2022 rather than stacked on the HLF.

Waste tonnes mined were 31% lower year over year. As per the Eagle mine plan, waste dump sequencing required longer waste haul distances to establish lower lifts of the Eagle Pup waste rock storage area ("WRSA") to conform with geotechnical criteria established for the WRSA design. These lifts are now largely complete and average waste haul distances in 2023 are significantly shorter which is expected to translate in to higher waste mining rates going forward.

Processing

During the three months ended December 31, 2022, a total of 1.4 million tonnes of ore was stacked on the HLF. A total of 2.5 million tonnes of ore was stacked on the HLF for the prior comparable period in 2021.

Ore stacked on the HLF decreased by 46% for the three months ended December 31, 2022 largely due to the belt splice failure of the overland conveyor (see Company News Release data October 4, 2022) and not stacking ROM on the HLF as noted above. Production was impacted for approximately 18 days while the belt was replaced. In addition to the belt splice, there was a sustained period of extreme cold temperatures (sub -50 °C) in December. Crushing and conveying operations were curtailed for approximately six days during this period. While cold weather interruptions are anticipated, the temperatures experienced in December 2022 were more extreme than normal.

Ore stacked for the quarter had an average grade of 0.90 g/t Au, compared to 0.83 g/t Au in the prior comparable period in 2021.

During the year ended December 31, 2022, a total of 6.6 million tonnes of ore was stacked on the HLF. A total of 9.2 million tonnes of ore was stacked on the HLF for the prior comparable period in 2021.

Ore stacked on the pad decreased by 28% for the year ended December 31, 2022 compared with the same period in 2021. The primary reason for the reduced tonnes in 2022 was foregoing ROM hauling to the HLF. As previously noted in the 2022 Q3 MD&A, the decision was made to not stack ROM material due to higher unit costs and lower gold recovery. Crushed tonnes decreased by 7% year-over-year as a result of the challenges experienced in the fourth quarter highlighted above.

Ore stacked for the year ended December 31, 2022 had an average grade of 0.85 g/t Au, compared to 0.85 g/t Au in the prior comparable period in 2021.

As at December 31, 2022, the Company estimates there are 102,175 recoverable oz within mineral inventory.

Capital

The Company incurred a total of \$25.0 million in capital expenditures during the three months ended December 31, 2022:

- (1) sustaining capital of \$11.0 million, including:
 - i. construction of the water treatment facility of \$3.5 million,
 - ii. scheduled capital component rebuilds on mobile mining fleet of \$3.2 million,
 - iii. upgrades and capital component rebuilds on the material handling system of \$2.2 million, and
 - iv. other ongoing sustaining capital initiatives of \$2.1 million;
- (2) capitalized stripping activities of \$15.0 million;
- (3) \$6.1 million spend on growth capital expenditures (growth exploration and mine expansion); and net of
- (4) \$7.1 million reduction to the Company's asset retirement obligation during the quarter.

The Company incurred a total of \$113.0 million in capital expenditures during the year ended December 31, 2022:

- (1) sustaining capital of \$60.1 million including:
 - i. construction of the water treatment facility of \$16.9 million,
 - ii. scheduled capital component rebuilds on mobile mining fleet of \$15.3 million,
 - iii. new conveyor along with upgrades and capital component rebuilds on material handling system of \$10.3 million,
 - iv. expansion to the heap leach pad of \$6.6 million,
 - v. final construction on the truck shop of \$1.7 million, and
 - vi. other ongoing sustaining capital initiatives of \$9.3 million;
- (2) capitalized stripping activities of \$32.5 million;
- (3) \$26.4 million spend on growth capital expenditures (growth exploration and mine expansion); and net of
- (4) \$6.0 million reduction to the Company's asset retirement obligation during the year ended December 31, 2022.

Fourth Quarter and Full Year 2022 Financial Results

Expressed in 000s, except per share amounts	Three months ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Financial data				
Revenue	\$ 92,310	110,647	321,843	356,454
Gross profit	\$ 22,872	49,788	87,732	150,974
Net income	\$ 10,464	45,661	35,040	110,368
Earnings per share – Basic	\$ 0.16	0.73	0.55	1.77
Earnings per share - Diluted	\$ 0.16	0.69	0.54	1.68

Expressed in 000s, except per share amounts	As at	
	December 31, 2022	December 31, 2021
Financial position		
Cash and cash equivalents	\$ 20,572	31,251
Working capital	\$ 94,687	62,808
Property, plant and equipment	\$ 670,813	626,400
Total assets	\$ 1,016,806	891,386
Long-term debt	\$ 184,512	151,251

Revenue

For the fourth quarter, the Company recognized revenue of \$92.3 million compared to \$110.6 million for the previous year's comparable period. The decrease in revenue is attributed to a lower average realized price and a lower number of gold oz sold, partially offset by higher C\$/US\$ exchange rate. Revenue is net of treatment and refining charges, which were \$0.3 million for the three months ended December 31, 2022. The Company sold 40,573 ounces of gold at an average realized price¹ of \$2,278 (US\$1,678), compared to 49,219 oz at an average realized price¹ of \$2,251 (US\$1,786), in the fourth quarter of 2021.

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

For the year ended December 31, 2022, the Company recognized revenue of \$321.8 million compared to \$356.5 million for the previous year's comparable period. The decrease in revenue is attributed to a lower average realized price and lower number of gold oz sold, partially offset by higher C\$/US\$ exchange rate. Revenue is net of treatment and refining charges, which were \$0.9 million for the year ended December 31, 2022. The Company sold 139,596 oz of gold at an average realized¹ price of \$2,306 (US\$1,772), compared to 158,736 oz at an average realized¹ price of \$2,243 (US\$1,790) for the year ended December 31, 2021.

Cost of goods sold

Cost of goods sold was \$50.6 million for the three months ended December 31, 2022 compared to \$44.5 million for the previous year's comparable period. The increase in cost of goods sold year-over-year is attributed to increased costs due to inflation and change in inventory.

Cost of goods sold was \$166.4 million for the year ended December 31, 2022 compared to \$145.5 million for the previous year's comparable period. The increase in cost of goods sold is attributed to inflation and the change in inventory.

Depreciation and depletion

Depreciation and depletion was \$18.8 million for the three months ended December 31, 2022 compared to \$16.3 million for the previous year's comparable period.

Depreciation and depletion was \$67.7 million for the year ended December 31, 2022 compared to \$60.0 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 December 31, 2022, the Company had cash and cash equivalents of \$20.6 million (December 31, 2021 - \$31.3 million) and a working capital surplus of \$94.7 million (December 31, 2021 - \$62.8 million surplus). The decrease in cash and cash equivalents of \$10.7 million over the year ended December 31, 2021, was due to operating activities (\$84.3 million increase in cash) primarily from operating cash flow before working capital adjustments and financing activities (\$31.3 million increase in cash) from shares issued for cash and draws made on credit facilities and long-term debt offset by investing activities (\$126.3 million decrease in cash) primarily from capital expenditures incurred at the Eagle Gold Mine.

2023 Outlook

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.

Production at the Eagle Gold Mine for 2023 is estimated to be between 160,000 and 180,000 ounces.

The seasonality experienced in 2021 and 2022, where gold production was lower in the first half of the year compared to the last half of the year, is expected to be reduced in 2023. Seasonality is expected

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

to diminish compared to previous years as the gold ounces in inventory, primarily on the heap leach pad, is higher at the end of 2022 and regularly scheduled maintenance periods, which were previously weighted to the first quarter, are expected to be reduced and spread over the year.

AISC¹ for 2023 are expected to be between US\$1,350 and US\$1,550 per oz of gold sold.

Sustaining capital, not including waste stripping, is estimated at C\$30 million (US\$23 million) for 2023. Sustaining capital during 2023 is expected to be materially lower than previous years due to the absence of major one-time infrastructure construction (water treatment plant in 2022 and truck shop in 2021). Major items included in 2023 sustaining capital include mobile equipment rebuilds and fixed maintenance rebuilds.

Capitalized waste stripping is estimated at C\$50 million (US\$38 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 2023 is expected to be materially 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 2023 and includes heap leach pad expansion. In addition, growth exploration spending in 2023 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.Geol., 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 2022 fourth quarter and year ended December 31, 2022 operating and financial results and updates will take place on **Thursday, February 23, 2023 at 6:00am PST (9:00am 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/81072209048>

Meeting ID: 810 7220 9048

Find your local number: <https://us02web.zoom.us/j/81072209048>

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

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

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 Company issued a National Instrument 43-101 Technical Report for the Eagle Gold Mine dated December 3, 2019 (the "2019 Eagle Technical Report"). Since the date of the 2019 Eagle Technical Report, the Company has produced gold from its Eagle Mine. Based on the 2019 Eagle Technical Report and after adjusting for depletion through December 31, 2022, the Eagle and Olive deposits include Proven and Probable Reserves of 2.5 million ounces of gold from 125 million tonnes of ore with a grade of 0.63 grams of gold per tonne. Based on the 2019 Eagle Technical Report and after adjusting for depletion through December 31, 2023, the Mineral Resource for the Eagle and Olive deposits has been estimated to host 209 million tonnes averaging 0.62 grams of gold per tonne, containing 4.0 million ounces of gold in the "Measured and Indicated" category, inclusive of Proven and Probable Reserves, and a further 28 million tonnes averaging 0.61 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 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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