

Victoria Gold Executes Definitive Agreement with Banyan Gold to Option its Aurex Property

Toronto, ON / May 25, 2017 / Victoria Gold Corp. (TSX.V-VIT) “Victoria” or the “Company” is pleased to announce that it has signed a definitive agreement to options its Aurex property with Banyan Gold Corp. (“Banyan”). The Aurex property comprises 433 Quartz Mining Claims, consists of 8,230 hectares and is located in the Mayo Mining District, Yukon Territory.

“Aurex is a very interesting asset which has not received the focus it deserves from Victoria given the numerous high priority targets located on our Dublin Gulch Property.” stated John McConnell, President & CEO. *“The Aurex property will now enjoy significant attention and Victoria will participate in any success through share ownership in Banyan, a joint venture interest in the property and/or net smelter return royalties.”*

Highlights of the Definitive Agreement with Banyan (the “Aurex Agreement”):

Under the terms of the Aurex Agreement, which is subject to TSX-V approval, Banyan may earn up to a 100% interest in the Aurex property in three (3) stages:

- **Initial 51% Option Interest** - To acquire the initial 51% Option Interest in the Property, Banyan is required, over a period of four (4) years, to issue in stages a total of 3 million common shares to Victoria, and to incur in stages minimum exploration expenditures totaling \$1.6 million on the Property. Banyan will act as the Property’s operator during the initial four-year term and has the option to defer expenditures into a 5th year. Following the earning of the 51% Option Interest, a joint venture (“JV”) will be formed and Banyan will have the ability to elect to earn an additional 24% (the “Aurex Additional 24% Interest”).
- **Aurex Additional 24% Interest** - In order to earn the Aurex Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, Banyan will be required to spend an additional \$3.5 million in exploration expenditures over five (5) years. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property’s operator and may elect to earn an additional 25% (the “Aurex Additional 25% Interest”).
- **Aurex Additional 25% Interest** - In order to earn the Aurex Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Victoria \$2 million in cash or shares and grant Victoria a 6% net smelter return (“NSR”) royalty with buybacks totaling \$7 million to reduce to a 1% NSR royalty on gold and a 3% NSR royalty on silver.

As part of the initial letter of intent, Victoria made a strategic investment in Banyan of \$100,000 and was issued 1,250,000 units of Banyan, which was approved by the TSX-V on March 7, 2017. Victoria now owns 5.27% of Banyan's outstanding shares.

About the Dublin Gulch Property

Victoria Gold's 100%-owned Dublin Gulch gold property is situated in the 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 Company has constructed and maintains a 100 person all-season camp at the project site.

The Property covers an area of approximately 555 square kilometers, and is the site of the Company's Eagle Gold Deposit. The Eagle Gold Mine is expected to be Yukon's next operating gold mine and, between the Eagle and Olive deposits, include Proven and Probable Reserves of 2.7 million ounces of gold from 123 million tonnes of ore with a grade of 0.67 grams of gold per tonne, as outlined in a National Instrument 43-101 feasibility study. The NI 43-101 Mineral Resource for the Eagle and Olive deposits has been estimated to host 191 million tonnes averaging 0.65 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 24 million tonnes averaging 0.61 grams of gold per tonne, containing 0.5 million ounces of gold in the "Inferred" category.

Qualified Person

The technical content of this news release has been reviewed and approved by Paul D. Gray, P.Geo., as the Qualified Person.

Cautionary Language and Forward-Looking Statements

Neither the TSX Venture Exchange, nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release. This press release includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.



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