

Potato Hills Press

TSX-V: VIT

Victoria Gold Secures Project Financing to Build Yukon's Next Gold Mine!



/ Kick-off of the construction of the Eagle Gold Project on August 18, 2018: (L-R) Marty Rendall, VIT CFO; Premier Sandy Silver; John McConnell, VIT President and CEO; Chief Simon Mervyn, FNNND; Mark Ayranto, VIT Executive Vice President.

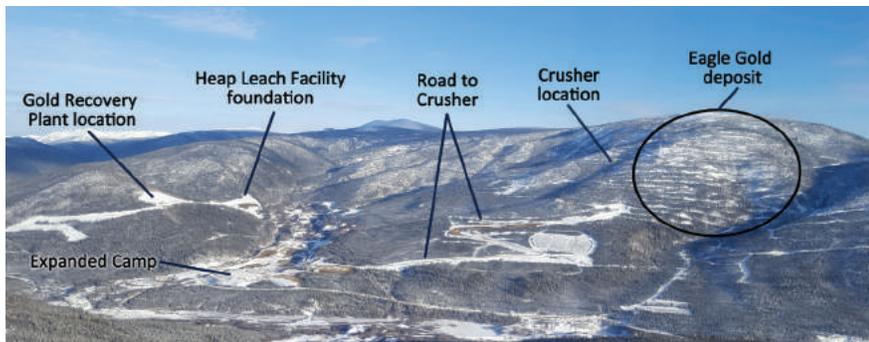
On April 16, 2018, Victoria Gold secured Project Financing to fully finance the construction of the Eagle Gold Mine through to Commercial Production in 2019.

The Comprehensive C\$505 million construction financing package is comprised of:

Two credit facilities with Orion Mine Finance totalling	C\$ 219 million
An equipment financing package with Caterpillar Financial	C\$ 63 million
A gold royalty to Osisko Gold Royalties	C\$ 98 million
Equity financing totalling	C\$ 125 million
Total financing package:	C\$ 505 million

"With this project financing package, Victoria is in a position to continue construction activities and advance the Eagle Gold Project to first gold pour, which we expect in the second half of 2019", commented John McConnell, President and CEO. "With this significant milestone behind us, we look forward to building a high-quality, profitable, and environmentally safe project that will deliver significant economic benefit to all of our stakeholders."

"Our Phase 1 construction activities, which commenced in August 2017, significantly de-risked the project and advanced detailed engineering to over 65% complete. We look forward to working with our new partners, Orion, Osisko, and Caterpillar, and all of our existing partners, including the First Nation of the Na-cho Nyak Dun (FNNND) and the Government of Yukon, to reach our next milestone of production from the Eagle Gold Mine.



/ Overview of the Eagle Gold Project site

WELCOME Message from the President

We are building the Eagle Gold Mine! We are pleased to announce that we have project financing to complete the construction of the Eagle Gold Mine through to commercial production in 2019. Our collective hard work and patience over the past few years will see the Eagle Gold Mine become a significant contributor to the Yukon economy, providing jobs and business opportunities for many years to come.

Construction activities at the Eagle Gold Project have accelerated and will build upon the milestones achieved in 2017, including:

- Doubling the existing camp to a 250 person capacity;
- Appointing two new VP positions, hiring a number of management positions, and employing a number of Mayo and FNNND citizens at site;
- Awarding the Eagle Gold Project Engineering, Procurement, Construction, Management (EPCM) contract to the JDS/Hatch Team;
- Signing a Power Purchase agreement with Yukon Energy Corp.;
- Completing the \$40 million Pre-Construction Phase 1 to prepare the site for full construction;
- Awarding a number of contracts to Yukon and First Nation businesses;
- Completing a \$12.5 million Exploration Program. Early results confirm the Olive-Shamrock deposit and the discovery of 3 new targets along the Potato Hills Trend: Popeye, Bluto, and Spinach.

In addition, we continue to be active in the community by supporting events, providing scholarships to FNNND students, bringing the Will Stroet and the Backyard Band to tour Yukon communities to help increase awareness of the *Every Student, Every Day* efforts to encourage all Yukon students to improve their school attendance.

Victoria is very proud to be a part of your community, and all of us at Victoria Gold look forward to a very exciting and active 2018 as we bring the Eagle Gold Mine into production.

Sincerely,
John McConnell

South McQuesten and Haggart Creek Roads Traffic Plan

As Phase 2 Construction of the Eagle Gold Mine site is underway there will be an increase in traffic on the Silver Trail Highway, the South McQuesten Road (SMR) and the Haggart Creek Road (HCR). Victoria, as part of the environmental assessment process with input from the community, has developed the *Eagle Gold Project Traffic Management Plan* which describes the procedures and protocols for the use of the SMR, HCR and Eagle Gold site traffic. Public, employee and contractor safety and the protection of wildlife are the primary objectives of this plan and are available on the Yukon Government, Energy Mine and Resources' website at www.emr.gov.yk.ca/mining/pdf/mml-eg-traffic-management-plan-v2017-01.pdf and have been provided to FNNND - contact Natasha Young for details.

Please drive safely and in accordance to the conditions.



Offloading equipment at site.

Phase 1 Construction Program Progress



1. Aerial of the Gold Recovery Plant area 2. Installation of the Control Pond liner 3. Heap Leach Facility preparation 4. Mining truck components ready for transport to site 5. Clearing the Crusher area with view of camp in the distance

The \$40 million Phase 1 Construction Program was structured to de-risk the earthwork areas, and included completion of:

- Heap Leach Facility preparation
- Control Pond construction
- Project Access Road and bridge upgrades to improve safety
- Pioneering of site roads to Crusher area and Gold Plant Recovery area
- Expansion of the Camp to 250 bed capacity, along with a larger kitchen, dining and recreation facilities
- Advancing Detailed Engineering, now approximately 65% complete
- Securing competitive pricing on long-lead items
- Establishing effective project management, safety and health, and environmental control programs to continue through project development.

Victoria Gold is committed to providing employment opportunities for all Yukoners and procuring goods and services from registered FNNND and Yukon based companies whenever possible.

With the construction at the Eagle Gold Mine site there are many business and employment opportunities for all Yukoners.

FNNND Human Resource and Business Registries identifies FNNND citizens interested in jobs with Victoria Gold.

If your company's or your personal contact information has changed, please send updates to Natasha Young at natasha.young@nndfn.com.

Yukon Business Registry: If your company meets the definition of a Yukon company as defined in the Victoria Gold Yukon Business Registry form, please forward your completed form to our Whitehorse office c/o YukonBusiness@vitgoldcorp.com.

Details of Victoria Gold's tendering and procurement process are outlined in the Eagle Gold Project Business Opportunities brochure available for download at vitgoldcorp.com/community/business-opportunities.



Victoria puts effort in to "right sizing" larger contracts when possible to facilitate participation by local vendors. Victoria has tendered approximately \$90 million worth of contracts to Yukon based companies, of which over half have economic connection to the NND Development Corp. by either First Nation business or local business.

These include:

62 Degrees North
Alkan Air
ALX Exploration Services Inc.
Chieftan Energy LP
Cobalt Construction Inc.
 Ewing Transport Ltd.
 Finning Canada
Hy's Transport Ltd.
 K&K Truck Rentals
Kal Tire
 Kluane Drilling Ltd.
MacPherson Rentals
Mayo Bigway Foods Ltd.

Mayo Landing Fuel Supply Ltd.

Mercer Contracting
Midnight Sun Drilling Inc.
NELPCo (EBA Engineering Consultants Ltd.)
 New Age Drilling Solutions
 Northwestel
Nuway Crushing Ltd.
 Pelly Construction Ltd.
Small's Expediting Ltd.
Summit Camp Services Ltd.
Total North Communications Ltd.
Underhill Geomatics Ltd.
 YEC (Yukon Energy Corporation)

Italicized & Bolded are NNDDC Partnerships

Every Student, Every Day Hosts Will Stroet and His Backyard Band to Benefit Yukon Student Attendance

In May 2017, the Victoria Gold Yukon Student Encouragement Society ("The Society") sponsored the award winning Canadian children's performer, Will Stroet and his Backyard Band to perform his high-energy show on a tour of Yukon communities. His creatively entertaining songs and sing-along choruses delivered important educational messages in both English and French to school children in Watson Lake, Mayo, Dawson City (and the Dawson City Gold Show) and to six schools in Whitehorse. This very special tour concluded with a public performance at Yukon College as part of the facility's 25th Anniversary celebrations. Over 1800 students and parents attended these fun and very popular concerts and proceeds benefitted the Society's *Every Student, Every Day* fund to directly support student attendance initiatives in classrooms and communities throughout the territory.



/ Will Stroet performing in Whitehorse.

\$60,000 raised at the Every Student, Every Day Gala on September 30, 2017.

To date the Society has raised and directly distributed over \$300,000 to programs to improve student attendance throughout the Yukon. We greatly appreciate the generous contributions from our government, community and industry partners that enable us to continue funding worthwhile programs to keep Yukon students engaged in learning by attending school every day.

For more information on the programs we support please check our website www.everystudenteveryday.ca and follow us on Facebook.

The Society is a registered charity (not-for-profit), volunteer-driven society working to help improve student attendance in the Yukon through our *Every Student, Every Day* program. *Every Student, Every Day* supports grassroots programs - specifically developed and led by individual schools, First Nations and communities - that encourage students to attend school regularly and build a solid foundation for their success. The Society provides funding for projects that raise awareness and increase student attendance.

Victoria Gold FNNND CBA Scholarship Program

Victoria Gold is committed to supporting programs that encourage students to attend school as well as to FNNND citizens who are furthering their training and education through the Victoria Gold/FNNND CBA Scholarship program. Since 2012 Victoria Gold has awarded \$55,400 to 65 FNNND citizens, helping students to achieve their educational goals.

We are always happy to hear from Victoria Gold FNNND CBA scholarship recipients:

"Thank you for this opportunity to help me achieve my goals. As well as your support in the past has helped me through school. I cannot be grateful enough for this and the continued opportunities I have through Victoria Gold NND CBA Scholarship Program."

— Patty Wallingham

"I have almost completed my Diploma, I have only 3 courses left for this fall semester. I have received my Human Resources Certificate in May 2017 and am very pleased with this. Victoria has helped with reaching these goals, it does help to have some financial security while working through my studies".

— Dennis Simmons

Congratulations to the following 2017 Fall and Winter 2018 semester scholarship recipients:

Charles Blysak	Jaylene Kelly	Devon Sagers
Chantel Blysak	Taiya Melancon	Dennis Simmons
Demi Dorn	Jana Modras	Asia Winter-Sinnott
Chelsey Goodman	Eileen Peter	Viktoria Skaper
Nancy Hager	Deanna Peter-Profeit	Patty Wallingham

Community Involvement

Victoria Gold was pleased to support Yukon College's Healthy U Program by sponsoring the Lunch and Learn series offered at the Mayo campus in February 2017.

Victoria Gold's very popular Personal Financial Program was held in conjunction with the Healthy U Program. 16 people, including 12 high school students participated in the Personal Financial Program. The program covered topics on our relationship with money, income, taxes, budgeting, banking and financial services, saving, credit, and debt finances.

We were also pleased to support the following local events/projects:

- 2nd Gathering of People Health Conference in Mayo
- Annual Irene Hutton Memorial Curling Bonspiel
- Mayo Student exchange program to Toronto. Nine students experienced a trip of a lifetime, visiting attractions such as the museum, the aquarium and the zoo. The students also contributed to community work
- Mayo Legion restoration project
- Mayo's Klondike Road Relay Team
- Yukon FireFit Sponsor
- Yukon Geoscience Forum sponsor
- Yukon Hospital Foundation, Festival of Trees Grand Ball
- Kwanlin Dun First Nation – Millennial Town Hall
- FNNND Youth Gathering Feb 2018
- 41st Yukon Native Hockey Tournament in 2018

Canada Day Mayo Community BBQ – Celebrating Canada's 150th Anniversary

Victoria Gold celebrated Canada's 150th Birthday by serving up special Victoria Gold/ Canada Day canvas tote bags and hats to all participants along with over 200 burgers and hotdogs. The BBQ proceeds of \$1,658 was donated to the Mayo Hockey team. We thank Gavin Winter-Sinnott and the other hockey team members for helping out at the BBQ. We look forward to serving hamburgers and hotdogs again this Canada Day, July 1st, 2018 - see you there!

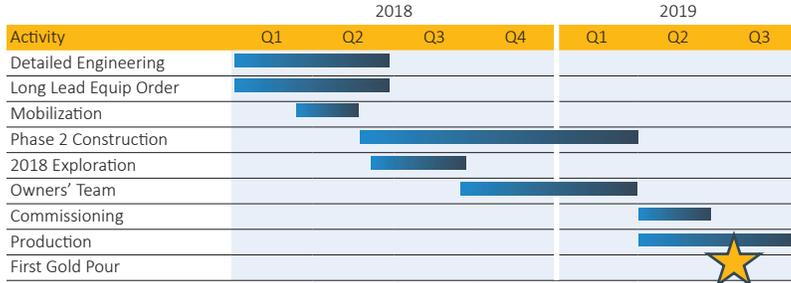


/ John McConnell, President and CEO, and Don Hutton, Mayo-Tatchun MLA, at the Victoria Gold Community BBQ in Mayo on Canada Day.

2018 Phase 2 Construction Underway

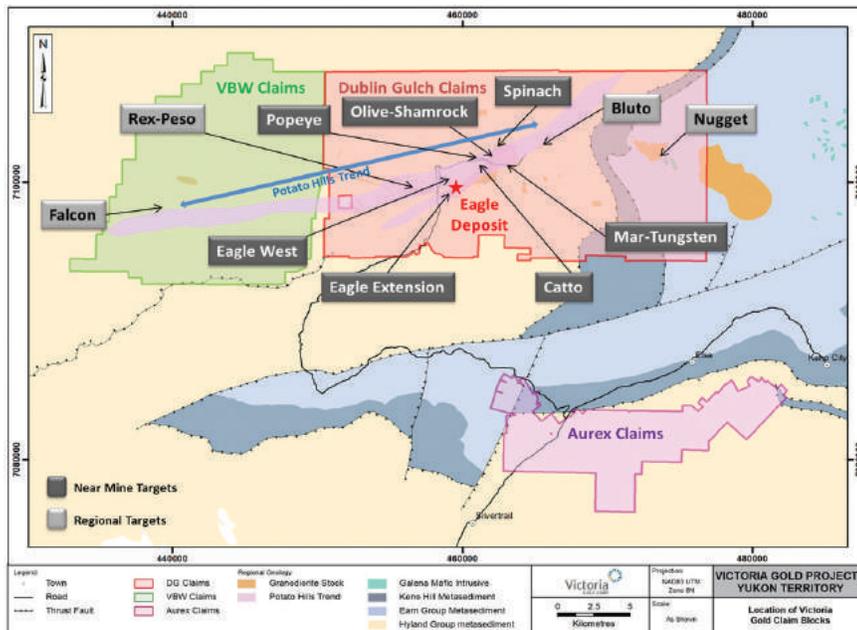
Victoria started Phase 2 Construction right after the announcement of the project financing on March 8, 2018. The access road was opened and the camp has been operational since March 12. By mid April, there will be 250 people in camp. The next 18 months will transform the Eagle Gold Project into the Eagle Gold Mine, and Victoria Gold as a significant gold producer.

The timeline for Phase 2 Construction is as follows:



2017 Exploration Update

The \$12.5 million 2017 Exploration Program completed more than 34,000 metres of diamond drilling at the Dublin Gulch Claim block including at Olive-Shamrock and the Eagle West, Popeye, Spinach, Bluto and Catto targets. A modest exploration program is planned for 2018 as Victoria's main focus is on the construction of the Eagle Gold Mine.



Victoria Gold Welcomes New Team Members

In 2017, Victoria hired the following new members:

- Tony George, Vice President – Project Execution
- Steven Tang, Mine Engineer
- Justin Knox, Lands & Permitting Manager
- Lindsay Rear, Environmental Manager. (Lindsay has personal ties to Mayo: She was born in the Yukon and received a Victoria Gold FNNND CBA Sponsorship while completing her Masters at McGill University)
- Kelli Wareham, Executive Assistant
- Barry Carlson, Metallurgist

With the start of construction in August 2017, many changes took place at the Eagle Gold Project site. The Engineering, Procurement, Construction, Management (EPCM) contract was awarded to the JDS/Hatch team. Roman Bilobrowka of JDS is responsible for the management of the site and the construction of the mine with that support of Mike Gunn and Buffy Genier.

After many years, the Eagle Gold Project Community Liaison, **Sally Howson** has retired. Sally's contribution to the Project and the community is immense and we wish her well in



✓ We all wish Sally Howson well in her retirement.

her new pursuits **Loralee Johnstone** is taking over the responsibilities of Victoria Gold's community affairs and will work with the FNNND, on behalf of Victoria, to continue to implement the Comprehensive Cooperation and Benefits Agreement (CBA).

We also thank **Natasha Young**, the NND/Victoria Gold Liaison, for all her contributions over the past 6 years and wish her well as she moves on to new responsibilities at NND.

What's Next

- Phase 2 Construction
- Expand camp to 400 person capacity
- Complete Detailed Engineering
- Long lead equipment orders

Project Information

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