

Victoria Gold: 2021 Fourth Quarter And Full Year 2021 Results

Toronto, ON / March 24, 2022 / Victoria Gold Corp. (TSX-VG CX) (“Victoria” or the “Company”) is pleased to announce its fourth quarter and year ended December 31, 2021 summary financial and operating results. The Company will host a video conference call and webcast Monday, March 28th at 8:00am PST (11:00am EST) to discuss the fourth quarter and year ended December 31, 2021 consolidated results (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 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, 2021 and 2020, available on the Company’s website or on SEDAR.

2021 Highlights	
Gold produced	164,222 oz
Average gold price realized	US\$ 1,790
Revenue	US\$ 284,366,680
Gross Profit	US\$ 120,441,442
Net Income	US\$ 88,047,991
Earnings (loss) per share – Basic	US\$ 1.41
EBITDA	US\$ 175,497,811

“2021 saw record annual gold production of 164,222 ounces, an increase of over 40% from 2020. Our increased production led to other record highs for Victoria including revenues of \$356 million and net income of \$108 million.”, noted Mr. John McConnell, President and CEO. “2021 Capital expenditures and all-in-sustaining-costs were higher as the Company not only dealt with the impacts of COVID-19 and inflation, but continued advancing growth initiatives. These growth initiatives, which include Project 250 and exploration at Eagle and Raven, will continue through 2022 and are expected to lead to material increases in production and reduction in unit costs for 2023 and beyond.”

Operational Summary – Fourth Quarter and Year Ended 2021

- **Mine production** was 2.5 million tonnes of ore in the quarter. Mine production for the year was 9.5 million tonnes of ore.
- **Ore stacked** on the heap leach pad in the quarter was 2.5 million tonnes at an average grade of 0.83 grams per tonne (g/t). Ore stacked for the year was 9.2 million tonnes at an average grade of 0.85 grams per tonne (g/t).
- **Gold production** was 49,496 ounces in the quarter. Gold production for the year was 164,222 ounces.

Financial Summary – Fourth Quarter and Year Ended 2021

- **Gold sold** in the quarter was 49,219 ounces, at an average realized price¹ of \$2,251 (US\$1,786) per oz. Gold sold for the year was 158,736 ounces, at an average realized price¹ of \$2,243 (US\$1,790) per oz.
- Recognized **revenue** was \$110.6 million based on sales of 49,219 ounces of gold in the quarter. Recognized revenue was \$356.5 million based on sales of 158,736 ounces of gold for the year.
- **Operating earnings** were \$47.4 million in the quarter. Operating earnings were \$142.6 million for the year.
- **Net income** was \$45.7 million, or \$0.73 per share outstanding in the quarter. Net income of \$110.4 million, or \$1.77 per share outstanding for the year.
- **Cash costs**² were \$905 (US\$718) per oz and all-in sustaining costs (“AISC”)¹ were \$1,326 (US\$1,052) per oz of gold sold in the quarter. Cash costs¹ were \$909 (US\$725) per oz and AISC¹ were \$1,496 (US\$1,193) per oz of gold sold for the year.
- **EBITDA**¹ were \$66.1 million in the quarter. EBITDA¹ were \$220.0 million for the year.
- **Free cash flow**¹ was \$31.1 million, or \$0.50 per share¹ in the quarter. Free cash flow¹ was \$26.8 million, or of \$0.43 per share¹ for the year.
- **Cash and cash equivalents** were \$31.3 million at December 31, 2021 after net repayment of \$63.5 million principal against the Company’s debt facilities for the year.

Fourth Quarter and Year to Date 2021 Operating Results

		Three months ended		Years ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating data					
Ore mined	t	2,515,702	2,247,243	9,488,128	7,529,181
Waste mined	t	3,200,397	3,084,892	15,028,269	12,370,280
Total mined	t	5,716,099	5,332,135	24,516,397	19,899,461
Strip ratio	w:o	1.27	1.37	1.58	1.64
Mining rate	tpd	62,132	57,997	67,168	54,369
Ore stacked on pad	t	2,539,309	2,316,522	9,157,313	7,271,334
Ore stacked grade	g/t Au	0.83	0.81	0.85	0.84
Throughput (stacked)	tpd	27,601	25,174	25,089	19,866
Gold produced	oz	49,496	42,436	164,222	116,644
Gold sold	oz	49,219	40,023	158,736	102,551

The Company issued original 2021 Guidance for the Eagle Gold Mine on March 1, 2021. Revised 2021 Guidance was issued on December 16, 2021. The following table shows the Company’s performance compared to the revised Guidance:

Results vs. Revised 2021 Guidance

		2021 Guidance	2021 Results	Achievement
Gold production	ounces	162,000 - 180,000	164,222 oz	Met revised production target
AISC	US\$/oz sold	\$1,175 - \$1,234	\$1,193/oz	Met revised AISC target

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

Gold production and sales

During the three months ended December 31, 2021, the Eagle Gold Mine produced 49,496 ounces of gold, compared to 42,436 ounces of gold production in Q4 2020. The 17% increase in gold production is attributed to the increase in ore mined and stacked during the current and preceding quarters along with higher ore grades.

During the three months ended December 31, 2021, the Company sold 49,219 ounces of gold, compared with 40,023 gold ounces sold in Q4 2020. The 23% increase in gold sold is attributed to the increase in gold produced.

During the year ended December 31, 2021, the Eagle Gold Mine produced 164,222 ounces of gold, compared to 116,644 ounces of gold production in 2020. The 41% increase in gold production is attributed to the increase in ore mined and stacked along with higher ore grades.

During the year ended December 31, 2021, the Company sold 158,736 ounces of gold, compared with 102,551 gold ounces sold in 2020. The 55% increase in gold sold is attributed to the increase in gold produced.

Mining

During the three months ended December 31, 2021, a total of 2.5 million tonnes of ore were mined, at a strip ratio of 1.3:1 with a total of 5.7 million tonnes of material mined. In comparison, a total of 2.2 million tonnes of ore were mined, at a strip ratio of 1.4:1 with a total of 5.3 million tonnes of material mined for the prior comparable period in 2020.

Total tonnes mined were 7% higher during the three months ended December 31, 2021 as a result of higher stacking rates allowing for higher mining rates.

During the year ended December 31, 2021, a total of 9.5 million tonnes of ore were mined, at a strip ratio of 1.6:1 with a total of 24.5 million tonnes of material mined. In comparison, a total of 7.5 million tonnes of ore were mined, at a strip ratio of 1.6:1 with a total of 19.9 million tonnes of material mined for the prior comparable year in 2020.

Total tonnes mined were 23% higher during the year ended December 31, 2021 as a result of higher stacking rates allowing for higher mining rates.

Processing

During the three months ended December 31, 2021, a total of 2.5 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 27.6 k tonnes per day. A total of 2.3 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 25.2 k tonnes per day for the prior comparable period in 2020.

Ore stacked on the pad increased by 10% during the three months ended December 31, 2021 as increased efficiencies started to materialize from ongoing improvement efforts.

Ore for the quarter had an average head grade of 0.83 g/t Au, compared to 0.81 g/t Au in the prior comparable period in 2020 due to mine sequencing.

During the year ended December 31, 2021, a total of 9.2 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 25.1 k tonnes per day. A total of 7.3 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 19.9 k tonnes per day for the prior comparable year in 2020.

Ore stacked on the pad increased by 26% during the year ended December 31, 2021 due to improved material handling.

Ore for the year had an average head grade of 0.85 g/t Au, compared to 0.84 g/t Au in the prior comparable year in 2020 due to mine sequencing.

As at December 31, 2021, the Company estimates there are 104,015 recoverable ounces within mineral inventory.

Capital

The Company incurred a total of \$24.8 million in capital expenditures during the three months ended December 31, 2021, including: (1) sustaining capital of \$15.0 million (including scheduled capital component rebuilds on mobile mining fleet of \$2.9 million, expansion to the heap leach pad of \$2.8 million and continued construction of the truck shop and water treatment facility of \$8.0 million); (2) capitalized stripping activities of \$4.3 million; (3) \$4.1 million spend on growth capital expenditures (growth exploration and mine expansion) and; (4) \$1.4 million adjustment to the Company's asset retirement obligation during the quarter.

The Company incurred a total of \$107.6 million in capital expenditures during the year ended December 31, 2021, including: (1) sustaining capital of \$59.9 million (including upgrades to the material handling system including chute liners of \$12.8 million, scheduled capital component rebuilds on mobile mining fleet of \$14.6 million, expansion to the heap leach pad of \$5.9 million, \$7.0 million for light vehicle and machinery purchases and construction of the truck shop and water treatment facility of \$18.0 million); (2) capitalized stripping activities of \$31.0 million; (3) \$5.7 million spend on growth capital expenditures (growth exploration and mine expansion), and; (4) \$11.0 million adjustment to the Company's asset retirement obligation during the year ended December 31, 2021.

Fourth Quarter and Full Year 2021 Financial Results

	Three months ended		Years ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial data				
Revenue	\$ 110,647,040	98,221,599	356,453,633	178,747,827
Gross profit	\$ 49,786,942	43,159,771	150,973,347	76,315,208
Net income (loss)	\$ 45,660,450	54,851,137	110,368,157	14,891,909
Earnings (loss) per share – Basic	\$ 0.73	0.89	1.77	0.25
Earnings (loss) per share - Diluted	\$ 0.70	0.83	1.68	0.23

	As at December 31, 2021	As at December 31, 2020
Financial position		
Cash and cash equivalents	\$ 31,250,867	56,136,314
Working capital	\$ 62,807,859	25,370,418

		As at December 31, 2021	As at December 31, 2020
Property, plant and equipment	\$	626,400,098	579,617,049
Total assets	\$	891,386,863	776,760,617
Long-term debt	\$	151,250,785	209,660,142

Revenue

For the fourth quarter, the Company recognized revenue of \$110.6 million compared to \$98.2 million for the previous year's comparable period. The increase in revenue is attributed to a higher number of gold ounces sold, partially offset by a lower average realized price. Revenue is net of treatment and refining charges, which were \$0.5 million for the quarter. The Company sold 49,219 ounces of gold at an average realized price¹ of \$2,251 (US\$1,786), compared to 40,023 ounces at an average realized price¹ of \$2,453 (US\$1,883), in the fourth quarter of 2020.

For the year ended December 31, 2021, the Company recognized revenue of \$356.5 million compared to \$178.7 million for the previous year's comparable year, which only includes six months of revenue as the Company declared commercial production on July 1, 2020. Revenue is net of treatment and refining charges, which were \$1.0 million for the year. The Company sold 158,736 ounces of gold at an average realized price¹ of \$2,243 (US\$1,790), compared to 102,551 ounces at an average¹ realized price of \$2,480 (US\$1,882), in 2020.

Cost of goods sold

Cost of goods sold was \$44.5 million for the fourth quarter compared to \$40.9 million for the previous year's comparable period. The increase in cost of goods sold is primarily attributed to the increase in production costs as a result of higher tonnes mined and gold ounces produced, (including mining, processing, site services and site general and administration costs), royalty and selling costs.

Cost of goods sold was \$145.5 million for the year compared to \$75.3 million for the previous year, which only includes six months of costs as the Company declared commercial production on July 1, 2020.

Depreciation and depletion

Depreciation and depletion was \$16.3 million for the fourth quarter compared to \$14.1 million for the previous year's comparable period.

For the year ended December 31, 2021, depreciation and depletion was \$60.0 million compared to \$27.1 million for the previous year, which only includes six months of depreciation and depletion as the Company declared commercial production on July 1, 2020.

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

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

At December 31, 2021, the Company had cash and cash equivalents of \$31.3 million (December 31, 2020 - \$56.1 million) and a working capital surplus of \$62.8 million (December 31, 2020 – \$25.4 million surplus). The decrease in cash and cash equivalents of \$24.9 million over the year ended December 31, 2020, was due to changes in working capital primarily an increase in inventory (\$55.2 million decrease in cash), a decrease in investing activities (\$96.0 million decrease in cash) primarily from property, plant and equipment purchases and a decrease in financing activities (\$60.9 million decrease in cash) from principal and interest repayments made on credit facilities. This is partially offset by an increase in cash from operating activities (\$187.2 million increase in cash).

2022 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.

On February 24, 2022, Russia commenced a military invasion of Ukraine. In response, many jurisdictions have imposed strict economic sanctions against Russia and its interests, including Canada, the United States, the European Union, the United Kingdom, and others. While Victoria does not have any operations in Ukraine or Russia, our business may be impacted by the ongoing conflict between Russia and Ukraine and the related economic sanctions. The conflict and economic sanctions may also give rise to additional indirect impacts, including increased fuel prices, supply chain challenges, logistics and transport disruptions and heightened cybersecurity disruptions and threats. Increased fuel prices and ongoing volatility of such prices may have adverse impacts on our costs of doing business.

Refer to the "Risk and Uncertainties" section of the December 31, 2021 MD&A.

Production at the Eagle Gold Mine for 2022 is estimated to be between 165,000 and 190,000 ounces.

Mining, crushing, irrigation of ore on the heap leach pad and gold production are all expected to operate at full capacity during 2022. Stacking of ore on the heap leach pad was paused for six weeks in the first quarter of 2022 (late January through early March 2022) for regularly scheduled maintenance activities. Gold production, which lags stacking activities in heap leach operations will have a seasonal bias due to the winter scheduled maintenance program which will result in lower gold production in the first half of 2022 and higher production in the last half of 2022, similar to 2021.

AISC¹ for 2022 are expected to be between US\$1,225 and US\$1,425 per oz of gold sold.

Sustaining capital, not including waste stripping, is estimated at US\$55 million for 2022. Sustaining capital will be high in 2022 compared with future years due to one-time infrastructure expenditures including construction of the water treatment plant (US\$17 million) and higher than normal mobile equipment rebuilds (US\$8 million higher than normal).

Capitalized waste stripping is estimated at US\$21 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

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

quarter over quarter and year over year. 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 US\$40 million for 2022. In addition, growth exploration spending in 2022 is estimated to be US\$20 million.

The Company has initiated 'Project 250' aimed at increasing the average annual gold production of the Eagle Gold Mine toward 250,000 ounces of gold during 2023. The two primary opportunities to increase production are the scalping of fine ore from the crushing circuit and adjusting the seasonal stacking plan.

Scalping of fine ore is expected to reduce wear and energy requirements as well as increase overall capacity of the crushing circuit. There is potential to increase design throughput of the crushing circuit by approximately 15%, thereby increasing potential annual ore stacking on the heap leach pad by approximately 1.5 million tonnes annually. Detailed engineering and procurement of equipment is underway to enable construction to start in H2 2022 to benefit 2023 production.

The Company also intends to reduce the winter stacking curtailment down to 1 month increasing annual stacking to 11 months. Project 250 will require the addition of two 785 haul trucks and a loader.

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 and Webcast Details

The webcast and conference call to discuss the 2021 fourth quarter and year ended December 31, 2021 operating and financial results and updates will take place on **Monday, March 28, 2022 at 8:00am PST (11:00am EST)**. Call in details will be available on the Company's website.

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

Zoom Video Conference Details

Victoria Gold Corp invites you to join the video conference via Zoom to discuss the 2021 fourth quarter and year ended December 31, 2021 operating and financial results on **Monday, March 28, 2022 at 8:00am PST (11:00am EST)**.

Join Zoom Meeting

<https://us02web.zoom.us/j/84108407927>

Meeting ID: 841 0840 7927

One tap mobile

+13017158592,,84108407927# US (Washington DC) 13126266799,,84108407927#

+US (Chicago)

Find your local number:

<https://us02web.zoom.us/j/kxfj0NzLY>

A playback version will be available for two weeks 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. 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

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 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 the 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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