

Victoria Gold: 2023 Second Quarter Results

Toronto, ON / August 9, 2023 / Victoria Gold Corp. (TSX-VGCX) (“Victoria” or the “Company”) provides an update on operations along with its second quarter 2023 summary financial and operating results.

Due to fire activity in the area of the Eagle Gold mine, specifically, the East McQuesten wildfire, the operation was partially evacuated on July 30, 2023. Progress was made in managing the fire and, on August 1, 2023, employees returned to work at the Eagle Gold mine. On August 4, 2023, the fire again approached the Eagle Gold mine and employees were evacuated for a second time. The danger to the Eagle mine site posed by the fire has since subsided and the Company is in the process of remobilizing employees back to site. It is expected that the mine will be back to full operation soon. As a result of a separate fire, the Talbot Creek Fire, the nearby Village of Mayo has been evacuated. The Company’s Eagle Gold mine remobilization activities will take into consideration the evolving situation in Mayo. Having just went through the challenging and stressful task of evacuating a large group of people, our thoughts are certainly with the Mayo community.

The Company will host a video conference call on Thursday, August 10th at 8:30am PST (11:30am EST) to discuss the second quarter 2023 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 news release for more information. All currency figures are in Canadian \$ 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 three and six months ended June 30, 2023 and 2022, available on the Company’s website or on SedarPlus.

Second Quarter 2023 Highlights	
Gold produced	45,568 ounces
Average gold price realized	C\$ 2,660
Revenue (000s)	C\$ 118,803
Gross Profit (000s)	C\$ 24,633
Net Income (000s)	C\$ 15,962
Earnings per share – Basic	C\$ 0.24
EBITDA (000s)	C\$ 52,338

“Record second quarter gold production in 2023 is testament to the success of operational improvement initiatives implemented over the past few quarters. While earnings and cash flows are higher quarter over quarter and year over year, we are focused on further improvements. Several cost savings initiatives are underway which have the potential to grow earnings and cash flows going forward,” noted Mr. John McConnell, President and CEO.

Operational highlights – Second Quarter 2023

- **Mine production** was 2.4 million tonnes (“t”) of ore in the quarter.
- **Ore stacked** on the heap leach facility (“HLF”) in the quarter was 2.5 million tonnes at an average grade of 0.74 grams per tonne (“g/t”).
- **Gold production** was 45,568 ounces (“oz”) in the quarter.

Financial highlights – Second Quarter 2023

- **Gold sold** in the quarter was 44,710 oz, at an average realized price¹ of \$2,660 (US\$1,981) per oz.
- Recognized **revenue** was \$118.8 million based on sales of 44,710 oz of gold in the quarter.
- **Operating earnings** were \$22.4 million in the quarter.
- **Net income** was \$16.0 million, or \$0.24 per share on a basic basis and \$0.24 per share on a diluted basis for the quarter.
- **Cash costs**¹ were US\$1,253 per oz of gold sold in the quarter.
- All-in sustaining costs (“**AISC**”)¹ were US\$1,466 per oz of gold sold in the quarter.
- **EBITDA**¹ were \$52.3 million in the quarter, or \$0.79 per share¹ in the quarter.
- **Free cash flow**¹ before adjustments was \$14.2 million in the quarter.
- **Adjusted free cash flow**¹ was a deficiency of \$13.5 million in the quarter.
- **Cash and cash equivalents** were \$27.5 million at June 30, 2023.

Second Quarter and First Half-Year 2023 Operating Results

		THREE MONTHS ENDED		SIX MONTHS ENDED	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating data					
Ore mined	t	2,351,471	2,167,250	4,503,275	3,495,273
Waste mined	t	2,146,292	2,162,172	5,219,514	4,437,066
Total mined	t	4,497,763	4,329,422	9,722,789	7,932,339
Strip ratio	w:o	0.91	1.00	1.16	1.27
Mining rate	tpd	49,426	47,576	53,717	43,825
Ore stacked on pad	t	2,512,798	2,303,776	4,607,539	3,185,191
Ore stacked grade	g/t Au	0.74	0.85	0.80	0.81
Throughput (stacked)	tpd	27,613	25,316	25,456	17,598
Gold ounces produced	oz	45,568	32,055	83,188	56,413
Gold ounces sold	oz	44,710	28,580	82,911	54,098

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

Gold production and sales

During the three months ended June 30, 2023, the Eagle Gold Mine produced 45,568 ounces of gold, compared to the 32,055 ounces of gold production in Q2 2022. The 42% increase in gold production is attributed to year-round stacking and improved heap leach pad operations over the winter period in 2023 and higher gold inventory on the heap leach pad.

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

During the three months ended June 30, 2023, the Company sold 44,710 ounces of gold, compared to the 28,580 gold ounces sold in Q2 2022. The 56% increase in gold sold is the result of increased gold production.

Mining

During the three months ended June 30, 2023, a total of 2.4 million tonnes of ore was mined, at a waste to ore strip ratio of 0.91:1 with a total of 4.5 million tonnes of material mined. In comparison, a total of 2.2 million tonnes of ore was mined, at a strip ratio of 1.00:1 with a total of 4.3 million tonnes of material mined for the prior comparable period in 2022. Total tonnes mined were 4% higher during the three months ended June 30, 2023.

During three months ended June 30, 2023, mining rates, waste movement and the resultant strip ratio were lower than expected due to mine sequencing which led to longer haul distances and fewer active mining faces. During the remainder of 2023, haul distances are expected to be shorter and active mining faces are expected to increase leading to increased waste movement and strip ratio.

Processing

During the three months ended June 30, 2023, a total of 2.5 million tonnes of ore was stacked on the HLF at a throughput rate of 27.6 k tpd. A total of 2.3 million tonnes of ore was stacked on the HLF at a throughput rate of 25.3 k tpd for the prior comparable period in 2022. Ore stacked on the HLF increased by 9% for the three months ended June 30, 2023 as incremental improvements to the reliability of the material handling circuit have been realized.

Ore stacked for the quarter had an average grade of 0.74 g/t Au, compared to 0.85 g/t Au in the prior comparable period in 2022 in line with the Eagle mine plan. Reconciliation versus the Eagle reserve model remains strong.

During the three months ended June 30, 2023, the Company focused on several fixed plant maintenance programs. These programs were successful in improving preventative maintenance activities but did incur excess costs for parts and contractors.

As at June 30, 2023, the Company estimates there are 100,136 recoverable oz within mineral inventory.

Capital

The Company incurred a total of \$17.6 million in capital expenditures during the three months ended June 30, 2023:

- (1) sustaining capital of \$9.0 million, including:
 - i. scheduled capital component rebuilds on mobile mining fleet of \$3.6 million,
 - ii. upgrades and capital component rebuilds on material handling system of \$3.1 million,
 - iii. purchases of additional mining fleet equipment of \$1.2 million, and
 - iv. other ongoing sustaining capital initiatives of \$1.1 million;
- (2) \$5.8 million spend on growth capital expenditures (primarily due to heap leach pad expansion);
- (3) capitalized stripping activities of \$1.4 million, and;
- (4) \$1.4 million adjustment to the Company's asset retirement obligation during the quarter.

Second Quarter and First Half-Year 2023 Financial Results

Expressed in 000s, except per share amounts	THREE MONTHS ENDED		SIX MONTHS ENDED	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Financial data				
Revenue	\$ 118,803	69,381	215,352	128,834
Gross profit	\$ 24,633	22,865	45,618	49,161
Net income	\$ 15,962	17,124	16,946	33,169
Earnings per share – Basic	\$ 0.24	0.27	0.26	0.52
Earnings per share - Diluted	\$ 0.24	0.25	0.26	0.49

Expressed in 000s, except per share amounts	As at June 30, 2023	As at December 31, 2022
Financial position		
Cash and cash equivalents	\$ 27,544	20,572
Working capital	\$ 156,746	94,687
Property, plant and equipment	\$ 668,361	670,813
Total assets	\$ 1,010,151	1,016,806
Long-term debt	\$ 200,169	184,512

Revenue

For the three months ended June, 2023, the Company recognized revenue of \$118.8 million compared to \$69.4 million for the previous year's comparable period. The increase in revenue is attributed to a higher average realized price, a higher number of gold oz sold and a higher C\$/US\$ exchange rate. Revenue is net of treatment and refining charges, which were \$0.5 million for the three months ended June 30, 2023. The Company sold 44,710 oz of gold at an average realized price of \$2,660 (US\$1,981) (see "Non-IFRS Performance Measures" section), compared to 28,580 oz at an average realized price of \$2,427 (US\$1,901) (see "Non-IFRS Performance Measures" section), in the second quarter of 2022.

Cost of goods sold

Cost of goods sold was \$75.3 million for the three months ended June 30, 2023 compared to \$30.3 million for the previous year's comparable period. The increase in cost of goods sold is attributed to the higher number of gold ounces sold combined with a higher average cost per ounce of gold within inventory. The average cost per ounce of gold in inventory is higher in the current quarter due to inflation combined with higher production costs per ounce compared to the prior comparable quarter.

Depreciation and depletion

Depreciation and depletion was \$18.9 million for the three months ended June 30, 2023 compared to \$16.2 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 June 30, 2023, the Company had cash and cash equivalents of \$27.5 million (December 31, 2022 - \$20.6 million) and a working capital surplus of \$156.7 million (December 31, 2022 - \$94.7 million surplus). The increase in cash and cash equivalents of \$7.0 million over the year ended December 31, 2022, was due to

operating activities (\$37.9 million increase in cash) primarily from operating cash flow before working capital adjustments, and financing activities (\$26.3 million increase in cash) from draws made on credit facilities and long-term debt and exercises of stock options and warrants. This is partially offset by investing activities (\$57.2 million decrease in cash) primarily from the settlement of gold call options and capital expenditures incurred at the Eagle Gold Mine.

2023 Outlook

Note that cost information in this Outlook section, including AISC¹ and capital, are in US currency to allow for ease of comparison with our peers, who often report in US currency.

2023 Production Guidance remains intact at the Eagle Gold Mine and is estimated to be between 160,000 and 180,000 ounces of gold.

Prior to the impacts of the East McQuesten wildfire, which led to the evacuation of the Eagle mine site in late July and early August, the Company expected to achieve annual production toward the top end of the Guidance range. After considering the impact of the evacuation, the Company expects production to be closer to the lower end of the Guidance range. Should wildfire activity in the Yukon cause further disruption to the Eagle mine site, the Company may need to revise Production Guidance.

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, has been reduced in 2023 as the Company has successfully demonstrated the feasibility of year-round stacking on the heap leach pad. Seasonality is further moderated as gold ounces in inventory, primarily on the heap leach pad, is higher than in previous years and regularly scheduled maintenance periods, which were previously weighted to the first quarter, are now spread over the year.

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

As a result of the East McQuesten wildfire and resulting mine site evacuation, the Company expects AISC¹ to be near the top end of the Guidance range. Should wildfire activity in the Yukon cause further disruption to the Eagle mine site, the Company may need to revise Cost Guidance.

Sustaining capital, not including waste stripping, is estimated at C\$30 million (US\$23 million) for 2023. Sustaining capital during 2023 is 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\$35 million (US\$26 million). This is lower than previously estimated (C\$50 million) due to timing of waste mining. Capitalized waste stripping is included in AISC¹ but is not included in the sustaining capital above. Waste stripping is expensed or capitalized based on the

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

actual quarterly stripping ratio versus the expected life of mine stripping ratio and may be quite variable quarter over quarter and year over year.

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.Geo, 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 2023 second quarter operating and financial results and updates will take place on **Thursday, August 10, 2023 at 8:30am PST (11:30am 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/87317642031?pwd=Zk9pdEFGQjFFUG4yRUcyTlYyMnlqdz09>

Meeting ID: 873 1764 2031

One tap mobile

+16892781000,,87317642031#,,,,*933078# US

+17193594580,,87317642031#,,,,*933078# US

Find your local number:

<https://us02web.zoom.us/j/kp77hA9NE>

A playback version will be available 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 and Olive deposits include Proven and Probable Reserves of 2.6 million ounces of gold from 124 million tonnes of ore with a grade of 0.65 grams of gold per tonne. The Mineral Resource for the Eagle and Olive Gold Deposits has been estimated to host 245 million tonnes averaging 0.59 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 36 million tonnes averaging 0.63 grams of gold per tonne, containing 0.7 million ounces of gold in the "Inferred" category.

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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

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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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