



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three months ended March 31, 2021 and March 31, 2020

DATED: May 14, 2021

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VICTORIA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis has been prepared as at May 14, 2021 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization, mineral resources and mineral reserves, exploration results and future plans and objectives of Victoria Gold Corp. (the "Company" or "Victoria") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following management's discussion and analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and the notes thereto of the Company for the three month period ended March 31, 2021 and March 31, 2020. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and all amounts are expressed in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

Certain of the information and statements in this MD&A are considered "forward-looking information" or "forward-looking statements" as those terms are defined under Canadian securities laws (collectively referred to as "forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "believes", "anticipates", "expects", "is expected", "scheduled", "estimates", "pending", "intends", "plans", "forecasts", "targets", or "hopes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "should" "might", "will be taken", or "occur" and similar expressions) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. Victoria believes that the expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. This information speaks only as of the date of this MD&A, and the Company will not necessarily update this information, unless required to do so by securities laws.

Victoria's actual results could differ materially from those anticipated. Management has identified the following risk factors which could have a material impact on the Company or the trading price of its shares: risks relating to the impacts of the pandemic virus outbreak; risks associated with the Company's community relationships; risks related to financing requirements; failure by the Company to maintain its obligations under its debt facilities; operating risks; risks related to production estimates; risks related to Victoria's compliance with environmental laws and liability for environmental contamination; volatility in the price of gold; shortages of critical supplies; lack of availability of infrastructure; deficient or vulnerable title to mining concessions; easements and surface rights; risks related to the Company's workforce and its labour relations; inherent safety hazards and risk to the health and safety of the Company's employees and contractors; risks related to the Company's ability to obtain, maintain or renew regulatory approvals, permits and licenses; the imprecision of mineral reserve and resource estimates; key talent recruitment and retention of key personnel; volatility in the market price of the Company's shares; the potential influence of the Company's largest shareholders; measures to protect endangered species and critical habitats; the cost of non-compliance and compliance costs; exploration and development risks; the Company's reliance on one project; risks related to illegal mining; the reliance of the Company on its information systems and the risk of cyber-attacks on those systems; the adequacy of the Company's insurance; uncertainty as to reclamation and decommissioning; the ability of Victoria to ensure compliance with anti-bribery and anti-corruption laws; the uncertainty regarding risks posed by climate change; the potential for litigation; limits of disclosure and internal controls; security risks to the Company; its assets and its personnel; conflicts of interest; the risk that the Company will not declare dividends; and social media and the Company's reputation.

This report discloses certain information including "Total Cash Costs" and "All in Sustaining Costs" that are not part of IFRS or Canadian GAAP. This information may not be comparable to data reported by other issuers. See "Non-IFRS Performance Measures" in this MD&A for a reconciliation of this information to our financial results.

There can be no assurance that such statements will prove to be accurate, as Victoria's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed under the heading "Risk Factors" in the AIF available at www.sedar.com.

COMPANY OVERVIEW

Victoria is a gold mining company whose flagship asset is its 100% owned Dublin Gulch property which hosts the Eagle and Olive-Shamrock Gold deposits. Dublin Gulch is situated in central Yukon, Canada, approximately 375 kilometers north of the capital city of Whitehorse. The property covers an area of approximately 555 square kilometers, is accessible by road year-round and is fully powered directly from the Yukon energy grid.

HIGHLIGHTS

Operational highlights – First Quarter 2021

- **Mine production** was 1.6 million tonnes of ore.
- **Ore stacked** on the heap leach pad was 1.0 million tonnes at an average grade of 0.87 grams per tonne (g/t).
- **Gold production** was 26,759 ounces.

Financial highlights – First Quarter 2021

- **Gold sold** was 27,538 ounces, at an average realized price¹ of \$2,274 (US\$1,795) per oz.
- Recognized **revenue** of \$62.7 million based on sales of 27,538 ounces of gold.
- **Operating earnings** were \$22.3 million.
- **Net income** of \$31.8 million, or \$0.51 per share on a basic and \$0.48 per share on a diluted basis.
- **Cash costs**¹ of \$903 (US\$713) per oz and all-in sustaining costs ("**AISC**")¹ of \$2,009 (US\$1,586) per oz of gold sold.
- **EBITDA**¹ of \$57.1 million.
- **Free cash flow**¹ deficiency of \$21.0 million, or a deficiency of \$0.34 per share¹.
- **Cash and cash equivalents** of \$21.6 million at March 31, 2021 after repaying \$13.4 million of principal payments against the Company's debt facilities.

CORPORATE INFORMATION (since January 1, 2021)

On May 12, 2021, the Company announced that a securities class action has been commenced in the Supreme Court of British Columbia, naming as defendants the Company, certain of its directors and officers, and underwriters who participated in a secondary offering of securities of Victoria that was completed in September 2020. The notice of civil claim alleges that certain of Victoria's public disclosures contained misrepresentations, and advances primary and secondary market claims in relation to the disclosures identified.

The Company believes the allegations in the claim are meritless and intends to vigorously defend the action.

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

REVIEW OF OPERATING RESULTS

		THREE MONTHS ENDED	
		March 31, 2021	March 31, 2020 ⁽¹⁾
Operating data			
Ore mined	Tonnes	1,562,230	946,479
Waste mined	Tonnes	4,675,295	1,565,964
Total mined	Tonnes	6,237,525	2,512,443
Strip ratio	(waste to ore)	2.99	1.65
Mining rate (total material mined)	Tonnes/day	69,311	27,911
Ore stacked on pad	Tonnes	950,513	887,700
Ore stacked grade	g/t Au	0.87	0.83
Throughput (stacked)	Tonnes/day	10,567	9,867
Gold ounces produced	ounces	26,759	10,544
Gold ounces sold	ounces	27,538	10,179
Financial data			
Revenue ⁽³⁾	\$	62,749,024	-
Gross profit	\$	24,831,749	-
Net income (loss)	\$	31,800,928	(47,366,083)
EBITDA ⁽²⁾	\$	57,140,187	(44,000,274)
Free cash flow (deficiency) ⁽²⁾	\$	(21,034,404)	-
Cash and cash equivalents	\$	21,559,380	22,806,335
Long-term debt	\$	194,613,211	264,256,666
Average realized price ⁽²⁾	\$/oz.	2,274	-
Cash costs ⁽²⁾	\$/oz.	903	-
AISC ⁽²⁾	\$/oz.	2,009	-
Average 1 US\$ → C\$ exchange rates	\$	1.2666	-
Sales & Cost Metrics (in US\$)			
Average realized price ⁽²⁾	US\$/oz.	1,795	-
Cash costs ⁽²⁾	US\$/oz.	713	-
AISC ⁽²⁾	US\$/oz.	1,586	-

(1) Note that the table above does not present comparative statistics for revenue, cost of goods sold and related sales and cost metrics for the prior comparable period as Eagle Gold Mine achieved commercial production effective July 1, 2020. Gold sales and related costs prior to that date were capitalized to mineral properties.

(2) Refer to the "Non-IFRS Performance Measures" section.

(3) Revenue includes immaterial amounts from the sale of by-product silver.

Operations Discussion

Gold production and sales

During the three months ended March 31, 2021, the Eagle Gold Mine produced 26,759 ounces of gold, compared to 10,544 ounces of gold production in Q1 2020. The Company was primarily focused on operations ramp up throughout 2020 and declared commercial production on July 1, 2020.

During the three months ended March 31, 2021, the Company sold 27,538 ounces of gold, compared with 10,179 gold ounces sold in the same quarter in the prior year.

Mining

During the three months ended March 31, 2021, a total of 1.6 million tonnes of ore were mined, at a strip ratio of 3:1 with a total of 6.2 million tonnes of material mined. In comparison, a total of 0.9 million tonnes of ore were mined, at a strip ratio of 1.7:1 with a total of 2.5 million tonnes of material mined for the prior comparable period in 2020.

Total tonnes mined were 248% higher in Q1 2021 as we advanced phase 2 waste stripping within the open pit versus Q1 2020. The resulting average daily mining rate for Q1 2021 was 69.3 k tonnes per day compared to 27.9 k tonnes per day during Q1 2020.

Processing

During the three months ended March 31, 2021, a total of 1.0 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 10.6 k tonnes per day. A total of 0.9 million tonnes of ore was stacked on the heap leach pad at a throughput rate of 9.9 k tonnes per day for the prior comparable period in 2020.

Ore stacked on the pad was similar in Q1 2021 to the prior comparable period. In the first quarter of both 2020 and 2021, the Company operated under its seasonal stacking plan wherein stacking of ore on the Eagle leach pad is curtailed for the 90 coldest days of the year, January through March.

Stacked ore grade for the quarter was 0.87 g/t Au, compared to 0.83 g/t Au in the prior comparable period in 2020. Some material in phase 2 of the open pit which was expected to be waste was mineralized and above cut-off grades. As a result, some waste was converted to ore and there was a minor increase in overall tonnes and ounces and a small decrease in grade compared to expectations.

As at March 31, 2021, the Company estimates there are 64,279 recoverable ounces within mineral inventory.

As of the date of this MD&A, a number of improvements related to material handling within the process circuit have been completed. These corrective measures are significantly improving reliability and plant uptime and, in turn, will improve ore stacking and gold production going forward.

Capital

The Company incurred a total of \$31.8 million in capital expenditures during the three months ended March 31, 2021: (1) sustaining capital of \$15.2 million (primarily upgrades to the material handling system including chute liners of \$12.4 million); (2) capitalized stripping activities of \$16.1 million, and; (3) \$0.5 million spend on growth capital expenditures (growth exploration) during the quarter.

2021 OUTLOOK

Outlook includes forward-looking statements which are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. See page 1 "FORWARD-LOOKING STATEMENTS".

Management believes 2021 production and financial guidance remain achievable assuming there is no significant impact on operations at the Eagle Gold Mine due to the COVID-19 pandemic. 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. Refer to the "Risk and Uncertainties" section of this MD&A.

The Company produced 26,759 ounces of gold during the first quarter of 2021. The Company's 2021 gold production guidance at the Eagle Gold Mine of 180,000 ounces to 200,000 ounces is unchanged.

The Company's AISC¹ per ounce of gold sold during the first quarter of 2021 was US\$1,586. The Company's 2021 AISC¹ guidance at the Eagle Gold Mine of US\$1,050 to US\$1,175 per ounce of gold sold is unchanged.

The Company has initiated 'Project 250' aimed at increasing the average annual gold production of the Eagle Gold Mine to 250,000 ounces gold by 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. Further investigation is underway on year-round stacking of ore to the heap leach pad. Early engineering on Project 250 is expected to be complete in the second half of 2021.

PROPERTY INFORMATION

The Dublin Gulch property includes the Eagle Gold Deposit, the Olive-Shamrock Deposit, the Wolf Tungsten Deposit, the Potato Hills Trend including the Nugget, Raven, Popeye, Rex-Peso, East Potato Hills, Eagle West, Falcon, as well as other targets. The property is located 85 km by road north of the village of Mayo in the Yukon, Canada. The property is centered on the confluence of the Haggart Creek and Dublin Gulch, at approximately 64°02' N and 135°50' W. The property comprises an aggregate area of approximately 555 square kilometers.

On December 4, 2019, the Company released the results of an updated National Instrument 43-101 technical report on its 100% owned Eagle Gold Mine. The technical report was prepared under the direction of JDS Energy & Mining ("JDS").

Technical Report Highlights

- Reserves of 3.3 Million ozs Au
 - Annual average production of approximately 210,000 ozs Au
 - Cash Costs⁽¹⁾ per Au ounce: US\$577
 - All-in Sustaining Costs ("AISC")⁽²⁾ per Au ounce: US\$774
 - Post tax Net Present Value @ 5% discount = \$1,034 million
1. Cash Costs include: mining, processing and general & administrative costs.
 2. AISC include: Cash Costs plus refining, royalties, sustaining capital, reclamation, corporate and sustaining exploration costs.
 3. Non-IFRS Measures disclosure: The Company has included certain non-IFRS measures including "Cash Cost per Au ounce" and "All-in Sustaining Cost per Au ounce" in this press release which are not in accordance with International Financial Reporting Standards ("IFRS"). Cash Cost per Au ounce is equal to production costs divided by gold ounces produced. All-in Sustaining Cost per Au ounce is equal to production costs plus corporate general and administrative, sustaining exploration, royalties, refining, and sustaining capital expenditures divided by gold ounces produced. The Company believes that these measures provide investors with an alternative view to evaluate the economics of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, they may not be comparable to similar measures employed by other companies. The data is 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.

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

Table 1: Gold Price Sensitivity Table

Economic Sensitivities After Tax NPV @ 5% (Cdn\$ Millions)											
FX US\$/C\$	Au Price – US\$/oz										
	1,000	1,100	1,200	1,300	1,400	1,500	1600	1,700	1,800	1,900	2,000
0.90	310	454	592	725	850	974	1,098	1,222	1,345	1,468	1,592
0.85	390	539	683	817	948	1,079	1,210	1,341	1,471	1,602	1,732
0.80	479	633	779	919	1,058	1,197	1,336	1,475	1,614	1,752	1,891
0.75	576	736	886	1,034	1,183	1,331	1,479	1,627	1,775	1,923	2,070
0.70	685	848	1,007	1,166	1,325	1,483	1,642	1,800	1,959	2,117	2,275
0.65	804	976	1,147	1,318	1,489	1,659	1,830	2,000	2,171	2,341	2,511
0.60	939	1,124	1,310	1,495	1,680	1,864	2,049	2,234	2,418	2,602	2,787

In-Pit Mineral Resource Estimate

This Resource includes all Eagle and Eagle proximal drilling completed post the 2016 Feasibility Study (“FS”), 58 new core holes.

Table 2: Pre-Production Mineral Resource Estimate - Eagle Pit

Eagle Constrained In-Pit Mineral Resource				
Classification	Cut-off Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Au (koz)
Measured	0.15	37	0.71	850
Indicated	0.15	180	0.61	3,547
Meas. + Ind.	0.15	217	0.63	4,397
Inferred	0.15	21	0.52	361

Notes to Table 2:

1. The effective date for the Mineral Resource is July 1, 2019.
2. Mineral Resources which are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
4. This resource has not been depleted for production in 2019. Pre-Production Resource based on original topo with no depletion from preproduction/ramp up period up. A total of 2.44 Mt at 0.82 g/t Au for 64,500 ounces of gold were extracted from the Eagle Mine as of 15 November 2019.
5. The mineral resource estimate is constrained by a Lerchs-Grossman pit shell using a gold price of US\$1,700/oz.

Table 3: Pre-Production Mineral Resource Estimate - Olive Pit

Olive Constrained In-Pit Mineral Resource				
Classification	Cut-off Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Au (koz)
Measured	0.4	2	1.19	75
Indicated	0.4	8	1.05	254
Meas. + Ind.	0.4	10	1.07	329
Inferred	0.4	7	0.89	210

Notes to Table 3:

1. The effective date for the Mineral Resource is September 12, 2016.
2. Mineral Resources which are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
4. Gold price used for this estimate was US\$1,700/oz.

Mineral Reserves

The Proven and Probable Mineral Reserve Estimate is the economically minable portions of the Measured and Indicated in-pit Mineral Resource as demonstrated by the updated Technical Report.

The Mineral Reserves were developed by examining each deposit to determine the optimal and practical mining method. Cut-off grades were then determined based on appropriate mine design criteria and the adopted mining method. A shovel and truck open pit mining method was selected for the two deposits.

The mineral reserve estimations take into consideration on-site operating costs (mining, processing, site services, freight, general and administration), geotechnical analysis for open pit wall angles, metallurgical recoveries, and selling costs. In addition, the Mineral Reserves incorporate allowances for mining recovery and dilution and overall economic viability.

The estimated Proven and Probable Mineral Reserves is shown in Table 4.

Table 4: Pre-Production Mineral Reserve Estimate - Eagle Gold Mine

Type	Area	Ore (Mt)	Diluted Grade (g/t)	Contained Gold (koz)
Crushed Ore	Eagle	114	0.77	2,818
	Olive	7	0.95	200
	Total	121	0.78	3,018
Run of Mine Ore	Eagle	35	0.22	243
	Olive	-	-	-
	Total	35	0.22	243
Crushed + ROM	Total	155	0.65	3,261

Notes to Table 4:

1. The effective date for the Mineral Reserve is July 1, 2019
2. Mineral Reserves are included within Mineral Resources
3. A gold price of US\$1,275/oz is assumed.
4. A US\$:C\$ exchange rate of 0.75
5. Cut-off grades, dilution and recovery factors are applied as per open pit mining method
6. This resource has not been depleted for production in 2019. Pre-Production Resource based on original topo with no depletion from preproduction/ramp up period up. A total of 2.44 Mt at 0.82 g/t Au for 64,500 ounces of gold were extracted from the Eagle Mine as of 15 November 2019.

Table 5: Pre-Production Mineral Reserve Estimate Classification - Eagle Gold Mine

Area	Classification	Ore (Mt)	Diluted Grade (g/t)	Contained Gold (koz)
Eagle	Proven	30	0.71	694
	Probable	118	0.63	2,366
	Total	148	0.64	3,061
Olive	Proven	2	1.02	58
	Probable	5	0.93	142
	Total	7	0.67	200
Eagle + Olive	Total	155	0.65	3,261

Notes to Table 5:

1. The effective date for the Mineral Reserve is November 15, 2019
2. Mineral Reserves are included within Mineral Resources
3. A gold price of US\$1,275/oz is assumed.
4. A US\$:C\$ exchange rate of 0.75
5. Cut-off grades, dilution and recovery factors are applied as per open pit mining method
6. This resource has not been depleted for production in 2019. Pre-Production Resource based on original topo with no depletion from preproduction/ramp up period up. A total of 2.44 Mt at 0.82 g/t Au for 64,500 ounces of gold were extracted from the Eagle Mine as of 15 November 2019.

Mining

Eagle and Olive are open pit mines and operate as drill, blast, shovel and haul operations with a mine life of 11 years. Crushed ore is hauled to the primary crusher located toward the north east side of the Eagle pit. Run of mine ("ROM") ore will be hauled directly to the primary heap leach pad.

Eagle waste rock is hauled to one of two waste rock storage areas immediately to the south and north of the open pit which results in short haul distances. Olive waste rock will be hauled to a waste rock storage area immediately south-west of the open pit. Waste rock storage will be managed to allow for future pit expansion. The ratio of waste to ore is 0.96 to 1 and total waste material is 149 million tonnes.

Processing

Material above crushed ore cut-off grades is hauled from the open-pits to the primary crusher. Ore is primary crushed at a nominal rate of 29,500 tpd. Following primary crushing, ore is conveyed through a secondary and tertiary crushing circuit to a final crush size of P80 6.5 mm. Crushed ore is conveyed to one of the two in-valley heap leach pads.

Ore is stacked in 10m high lifts using a mobile conveying and stacking system then primary leached for 45 days. The pregnant solution, laden with gold once leaching is complete, is pumped to an Adsorption Desorption Recovery ("ADR") plant where gold is stripped from the solution and poured into doré bars. Life of mine recovery is estimated at 76%.

Ore will be mined and primary crushed 365 days per year. Ore is stacked on the heap leach pads 275 days per year. A primary crushed ore stockpile will be used during the coldest 90 days of the year and the stockpile will be reclaimed to the secondary crushing circuit and loaded onto the pads during the 275 day stacking period.

A total of 155 million tonnes of ore will be mined, including 121 million tonnes of crushed ore and 35 million tonnes of ROM ore.

Infrastructure

The project is well supported by local infrastructure. Eagle is accessed via an existing year-round road connecting to the Silver Trail Highway. The Eagle Gold Mine is connected to grid power with a long-term power purchase agreement with Yukon Energy Corp. A 1,400m airstrip is located in Mayo, approximately 85km by road from the project site, with daily scheduled commercial flights. An existing camp and all supporting infrastructure is in place and supporting mine and processing operations.

Sustaining Capital Cost Estimate

Life of Mine sustaining capital costs are estimated at \$174.5 million and closure costs are \$35 million.

Category	LOM (C\$M)	2020 (C\$M)	LOM Total (C\$M)
Long Lead Procurement	10.5	1.6	8.9
Construction Contracts	119.1	11.9	107.2
Construction Support Contracts	3.3	1.6	1.7
General Field Indirects	0.7	-	0.7
Freight	2.3	-	2.3
Engineering & EPCM	26.7	21.2	5.5
HME Equipment	12.0	-	12.0
Total Sustaining Capital	174.5	36.3	138.2
Closure (Net of Salvage)	35.0	-	35.0
Total Capital Costs (sustaining plus closure)	209.5	36.3	173.2

Operating Costs

LOM site operating costs are \$12.43 per tonne processed, as summarized below:

Area	Operating Costs		
	C\$/t mined	C\$/t leached	US\$/oz payable
Mine	2.45	4.84	225
Process/leach	n/a	4.86	225
G&A	n/a	2.73	127
Total		12.43	577

Financial Analysis

Base case: gold price US\$1,300/ounce gold and US\$/C\$ exchange rate of 0.75:

Pre-tax

- Net Present Value discounted at 5% is **\$1,389 million**

Post-tax

- Net Present Value discounted at 5% is **\$1,034 million**

The economics do not include principal repayment or interest payments associated with the debt incurred to construct the Eagle Gold Mine (see new release dated March 8, 2018).

Operational and Sustaining Capital Cost Estimate Fluctuations

The technical report relied upon operating cost and sustaining capital estimates developed in late 2019. Input parameters, including, but not limited to, labour, equipment, fuel and other consumables and exchange rates are subject to change which may in turn lead to material fluctuations in operating costs and sustaining capital costs. Further risks to the operating cost and sustaining capital costs estimates may be found in the Risks and Uncertainties section of this Management Discussion and Analysis.

Developments since December 4, 2019, the effective date of the Technical Report

The information in this section provides a reconciliation to the Mineral Reserves and Resources of the Company since December 4, 2019 and has been reviewed and approved by Paul D. Gray, P. Geo, as the "qualified person" for purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Since the date of the Technical Report (defined herein), the Company has produced gold from its Eagle Mine. The Company had production of 116,644 ounces of gold in 2020 along with production from December 4, 2019 to December 31, 2019 of 6,899 ounces. There is no new material scientific or technical information that would make the disclosure of mineral resources, mineral reserves or results of the Technical Report inaccurate or misleading. The following tables indicate the gold mineral reserves as at December 31, 2020, with a comparison as at the date of the Technical Report demonstrating the depletion due to production activities at the Eagle Gold Mine.

2019 – 2020 Mineral Reserve Reconciliation

Gold Reserves – Proven and Probable

Area	Classification	Mineral Reserves as per the December 6, 2019 Technical Report			Reserves remaining as of December 31, 2020		
		Tonnes (Mt)	Grade (Au)	Contained Au (koz)	Tonnes (Mt)	Grade (Au)	Contained Au (koz)
Eagle	Proven	30	0.71	694	27	0.71	594
	Probable	118	0.63	2,366	114	0.64	2,251
	Total	148	0.64	3,061	141	0.65	2,845
Olive	Proven	2	1.02	58	2	1.02	58
	Probable	5	0.93	142	5	0.93	142
	Total	7	0.67	200	7	0.67	200
Total Gold Reserves	Total	155	0.65	3,261	148	0.65	3,045

Notes:

- (1) A gold price of US\$1,275/oz is assumed.
- (2) Reserve based on original topo with no depletion from preproduction/ramp up period up to December 4, 2019.
- (3) A US\$:C\$ exchange rate of 0.75.
- (4) Cut-off grades, dilution and recovery factors are applied as per open pit mining method.
- (5) Reserve reflects ore depleted as of December 31, 2020.
- (6) Since the start of mining, 10.17M tonnes at 0.86 g/t Au for 282 Koz of gold were mined. The difference between the tonnes mined and the updated Reserve statement are the result of additional ore not captured in the Reserve model.
- (7) Since the start of mining, geological contact refinement resulted in a certain amount of material, both within and an outside of the Eagle Mineral Reserve that was previously characterized as waste, to be converted to ore during mining activities.
- (8) Total gold ounces may not add up due to rounding.
- (9) Depletion includes all ounces extracted from the Eagle deposit, including those produced and in inventory, both in ore stockpiles and the heap leach pad.

2019 – 2020 Mineral Resource Reconciliation

Gold Resources – Measured, Indicated and Inferred

Area	Classification	Mineral Resources Contained as per the December 6, 2019 Technical Report			Resources remaining as of December 31, 2020		
		Tonnes	Grade	Contained Au	Tonnes	Grade	Contained Au
		(Mt)	(Au)	(koz)	(Mt)	(Au)	(koz)
Eagle 0.15 g/t cut-off ⁽²⁾	Measured	37	0.71	850	33	0.69	736
	Indicated	180	0.61	3,547	173	0.61	3,358
	Combined (M&I)	217	0.63	4,397	206	0.62	4,094
	Inferred ⁽⁸⁾	22	0.52	361	21	0.52	361
Olive 0.40 g/t cut-off ⁽²⁾	Measured	2	1.19	75	2	1.19	75
	Indicated	8	1.05	254	8	1.05	254
	Combined (M&I)	10	1.08	329	10	1.08	329
	Inferred ⁽⁸⁾	7	0.89	210	7	0.89	210

Notes:

- (1) CIM definitions were followed for Mineral Resources
- (2) Mineral Resources are estimated at a cut-off of 0.15 g/t Au for Eagle and 0.40 g/t Au for Olive
- (3) Gold price used for this estimate was US\$1,700/oz
- (4) High-grade caps were applied as per the text of the report
- (5) Specific gravity was estimated for each block based on measurements taken from core specimens.
- (6) Resources are in-pit resources as defined by pit parameters described in the text of the Technical Report.
- (7) Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. However, there are no currently known issues that negatively impact the stated mineral resources.
- (8) The inferred mineral resources have a lower level of confidence than that applying to measured and indicated mineral resources and must not be converted to mineral reserves. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
- (9) Since the start of mining, 10.17M tonnes at 0.86 g/t Au for 282 Koz of gold were mined. The difference between the tonnes and ounces mined and the updated Resource statement result from the use of different cut-off grades for the Resource and mining.
- (10) Resource reflects ore depleted as of December 31, 2020
- (11) Total gold ounces may not add up due to rounding.
- (12) Depletion includes all ounces extracted from the Eagle deposit, including those produced and in inventory, both in ore stockpiles and the heap leach pad.

EXPLORATION AND DEVELOPMENT ACTIVITIES

a) Exploration and Development Update

The Company has incurred exploration and evaluation expenditures since inception through March 31, 2021, net of property acquisitions, sales, transfers and impairments, totalling \$41.4 million. During the three months ended March 31, 2021, the Company incurred net exploration and evaluation expenditures totalling \$0.4 million.

Comparatively, the Company had incurred exploration and evaluation expenditures since inception through March 31, 2020, net of property acquisitions, sales, transfers and impairments, totalling \$33.9 million. During the three months ended March 31, 2020, the Company incurred net exploration and evaluation expenditures totalling \$1.0 million.

	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2020	\$ 10,419,030	\$ 29,040,083	\$ 1,566,929	\$ 41,026,042
Salaries and benefits	-	191,747	-	191,747
Land claims and royalties	-	-	57,500	57,500
Drilling and indirects	-	55,263	4,501	59,764
Other exploration	-	70,380	23,204	93,584
Exploration and evaluation costs for the period	-	317,390	85,205	402,595
Balance March 31, 2021	\$ 10,419,030	\$ 29,357,473	\$ 1,652,134	\$ 41,428,637

** Other properties include interests in Donjek, Aurex, CanAlask, Dace and Clear Creek in Yukon Territory.

For the three months ended March 31, 2021, the Company incurred \$0.3 million in property exploration and evaluation expenditures on its Dublin Gulch, YT property. \$0.1 million was spent on drilling, drilling indirects, assays and exploration support. There was \$0.2 million incurred for salaries and benefits.

During the year ended December 31, 2020, the Company entered into a transaction with a third-party company, Lahontan Gold Corp. ("Lahontan") in which Victoria Gold received consideration of shares in Lahontan, which provided it with a controlling ownership position of 66% of Lahontan. The primary asset of Lahontan is the Santa Fe property.

b) Recently Completed Exploration Activities

Exploration Update

During the first quarter of 2021, the Company continued deep drilling activities targeting mineralization below the current Eagle Reserve and Resource.

c) Exploration Outlook

Outlook includes forward-looking statements which are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. See page 1 "FORWARD-LOOKING STATEMENTS".

During 2021, the Company expects to complete the deep drilling program at Eagle and undertake a significant regional exploration program on the Dublin Gulch property. The regional exploration program will focus on the Nugget intrusion which includes the Raven target. The 2021 regional exploration program will also continue testing the Lynx target within the framework of the Potato Hills Trend mineralization model.

FINANCING ACTIVITIES

On December 18, 2020 the Company announced it had entered into a credit agreement with a syndicate of banks, comprised of Bank of Montreal, CIBC and BNP Paribas, in connection with a secured US\$200 million debt facility (the "Loan Facility"). The Loan Facility is comprised of a US\$100 million term loan (the "Term Facility") and a US\$100 million revolving facility (the "Revolving Credit Facility").

The funding from the Loan Facility was used to repay the previously outstanding project finance facility, which included senior and subordinated debt that was used for the construction of the Eagle Gold Mine. The Revolving Credit Facility is available for general corporate purposes subject to customary terms and conditions.

The Loan Facility is available by way of US dollar LIBOR loans, with an interest rate ranging from 3.00% to 4.00% over LIBOR (currently one month LIBOR is approximately 0.15%), based on the Company's leverage ratio and other customary terms and conditions.

The Loan Facility includes certain covenants that are calculated and reported each fiscal quarter, which commenced on December 31, 2020. As at March 31, 2021, the Company is in compliance with all covenants.

Loan Facilities

Term Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 3.25%;
- Principal and interest are repayable in 12 equal quarterly installments which began on March 31, 2021.

As at March 31, 2021, principal of US\$91.7 million was outstanding on the Term Facility. Deferred financing charges in the amount of \$2.6 million are being amortized over the term using the effective interest rate method.

Revolving Credit Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 3.25%;
- Accrued interest is repayable quarterly and began on March 31, 2021;
- Principal and accrued interest are due at maturity, on December 31, 2023, and may be repaid early without penalty.

As at March 31, 2021, principal of US\$74.9 million was outstanding on the Revolving Credit Facility. Deferred financing charges in the amount of \$2.6 million are being amortized using the full amount of the facility, including any undrawn amount, over the full term of the facility using the effective interest rate method.

Equipment Finance Facility

US\$50 million facility with Caterpillar Financial Services Limited ("Cat Financial") with the following commercial terms:

- Available for drawdown against the acquisition cost of Cat mining equipment;
- Interest rate of LIBOR plus 3.50%;
- 4-6 year, amortizing facility, maturing between November 29, 2022 and July 1, 2025;
- Secured by Cat mining equipment.

As at March 31, 2021, principal of US\$35.9 million was outstanding on the Equipment Finance Facility. Deferred financing charges in the amount of \$2.7 million are being amortized over the term using the effective interest rate method.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's condensed consolidated interim financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for the three month periods ended March 31, 2021, March 31, 2020 and February 28, 2019.

Selected Quarterly Information:

	March 31, 2021	March 31, 2020	February 28, 2019
Total revenues	\$ 62,749,024	\$ -	\$ -
Net income (loss)	\$ 31,800,928	\$ (47,366,083)	\$ (10,112,555)
Earnings (loss) per share			
Basic	\$ 0.51	\$ (0.82)	\$ (0.19)
Diluted	\$ 0.48	\$ (0.82)	\$ (0.19)
Total assets	\$ 768,886,772	\$ 713,624,629	\$ 522,615,338
Total non-current liabilities	\$ 259,289,874	\$ 334,322,131	\$ 142,885,588

FINANCIAL RESULTS

Three Month Period ended March 31, 2021

VARIANCE ANALYSIS	THREE MONTHS ENDED		VARIANCE HIGHER/ (LOWER)
	March 31, 2021	March 31, 2020	
Revenue	\$ 62,749,024	\$ -	\$ 62,749,024
Cost of goods sold	25,287,751	-	25,287,751
Depreciation and depletion	12,629,524	-	12,629,524
Gross profit	24,831,749	-	24,831,749
Corporate general and administration	2,501,141	2,389,715	111,426
Operating earnings (loss)	22,330,608	(2,389,715)	24,720,323
Finance income	10,791	92,520	(81,729)
Finance costs	(3,693,593)	(169,300)	(3,524,293)
Unrealized gain (loss) on marketable securities	(1,057,622)	(369,098)	(688,524)
Unrealized and realized gain (loss) on derivative instruments	19,539,021	(22,818,497)	42,357,518
Foreign exchange gain (loss)	2,771,723	(25,203,483)	27,975,206
Other	-	6,721,000	(6,721,000)
	17,570,320	(41,746,858)	59,317,178
Income (loss) before taxes	39,900,928	(44,136,573)	84,037,501
Current income taxes	-	(1,634,488)	1,634,488
Deferred tax (expense) recovery	(8,100,000)	(1,595,022)	(6,504,978)
Net income (loss)	\$ 31,800,928	\$ (47,366,083)	\$ 79,167,011

Revenue

For the three months ended March 31, 2021, the Company sold 27,538 ounces of gold at an average realized price of \$2,274 (US\$1,795) (see "Non-IFRS Performance Measures" section) resulting in revenue of \$62.7 million. Revenue is net of treatment and refining charges, which were \$0.1 million for the three months ended March 31, 2021.

Cost of goods sold

Cost of goods sold of \$25.3 million for the three months ended March 31, 2021 are comprised of production costs, (including mining, processing, site services and site general and administration costs), royalty and selling costs.

Depreciation and depletion

Depreciation and depletion was \$12.6 million for the three months ended March 31, 2021. 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.

Corporate general and administration

During the three month period ended March 31, 2021, the Company reported salaries and benefits of \$1.0 million versus \$1.4 million for the previous year's comparable period. The prior period included increased personnel to support ramp up activities at Eagle. Office and administrative costs are \$0.1 million lower than the prior year as a result of decreased usage. Share-based payments were \$0.6 million higher than the previous year due to the number, value and vesting schedule of employee option issuances. Marketing expenses were \$0.1 million higher than the prior year due to an increased marketing program. Professional fees, which include legal, accounting and consulting costs are \$0.2 million for the three month period ended March 31, 2021 versus \$0.3 million for the previous year's comparable period. The lower costs are a result of decreased usage.

Finance costs, net

For the three months ended March 31, 2021, the Company recorded net finance costs of \$3.7 million compared to net finance costs of \$0.1 million for the previous year's comparable period. Finance costs are composed mostly of interest incurred on the Company's long-term debt facilities, and amortization of deferred financing charges. With the achievement of commercial production, interest expense and amortization of deferred financing charges associated with the Company's debt facilities are no longer being capitalized.

The decrease in finance income for the period is a result of lower returns earned on lower cash balances year over year.

Foreign exchange gain (loss)

The Company reported a gain on foreign exchange during the three month period ended March 31, 2021 of \$2.8 million compared to a loss of \$25.2 million in the previous year's comparable period. This is due to fluctuations in the Canadian dollar and US dollar exchange rate.

Unrealized gain (loss) on marketable securities

During the three month period ended March 31, 2021, the Company reported a loss in the fair value of marketable securities of \$1.1 million compared to a loss of \$0.4 million in the previous year's comparable period.

Unrealized and realized gain (loss) on derivative instruments

During the three month period ended March 31, 2021, the Company reported a gain in the fair value of derivative instruments of \$19.5 million compared to a loss of \$22.8 million in the previous year. Due to weakening of the US dollar and a material decrease in gold price, the zero-cost collar contributed a gain of \$15.4 million, gold put options contributed a \$0.1 million gain and gold calls contributed a \$4.1 million gain. Due to an increase in the Company's share price over the period, the common stock purchase warrants had a \$0.1 million loss.

Net income (loss)

The Company reported net income of \$31.8 million (basic and diluted earnings per share of \$0.51 and \$0.48 respectively) for the three month period ended March 31, 2021, compared to a net loss of \$47.4 million (basic and diluted loss per share of \$0.82) for the previous year's comparable period. The increase in net income for the three month period ended March 31, 2021 is the result of operating earnings, unrealized and realized gains on derivative instruments and foreign exchange gains, partially offset by finance costs, unrealized losses on marketable securities and deferred taxes.

Total assets decreased by \$7.9 million from \$776.8 million to \$768.9 million during the period from January 1, 2021 to March 31, 2021. Current assets decreased by \$27.3 million (see “Liquidity and Capital Resources” herein). Property, plant and equipment increased by \$19.0 million primarily due to \$15.9 million in net capitalized stripping costs. Exploration and evaluation assets increased by \$0.4 million due to continued exploration and evaluation expenditures. Total liabilities, primarily accounts payable and accrued liabilities, derivative instruments and long-term debt decreased by \$40.8 million due to US dollar debt translation, decreased gold prices, and repayment of short and long-term liabilities from continued operations at the Eagle Gold Mine.

Summary of Unaudited Quarterly Results:

	31 MAR 21	31 DEC 20	30 SEPT 20	30 JUNE 20
Total Revenues	\$ 62,749,024	\$ 98,221,599	\$ 80,526,228	\$ -
Net income (loss)	\$ 31,800,928	\$ 54,851,137	\$ 20,272,444	\$(12,865,589)
Basic earnings (loss) per share	\$ 0.51	\$ 0.89	\$ 0.33	\$ (0.21)
Diluted earnings (loss) per share	\$ 0.48	\$ 0.83	\$ 0.31	\$ (0.21)
	31 MAR 20	31 DEC 19*	31 AUG 19⁽¹⁾	31 MAY 19⁽¹⁾
Total Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$(47,366,083)	\$ 10,134,475	\$(21,463,642)	\$ 1,493,955
Basic earnings (loss) per share	\$ (0.82)	\$ 0.18	\$ (0.38)	\$ 0.03
Diluted earnings (loss) per share	\$ (0.82)	\$ 0.18	\$ (0.38)	\$ 0.03

*Quarter includes four months (September – December).

(1) Per share data has been re-stated to reflect the share consolidation that was implemented on November 18, 2019.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2021, the Company had cash and cash equivalents of \$21.6 million (December 31, 2020 - \$56.1 million) and a working capital surplus of \$21.1 million (December 31, 2020 – \$25.4 million surplus). The decrease in cash and cash equivalents of \$34.5 million over the year ended December 31, 2020, was due to operating activities and changes in working capital including foreign exchange losses on cash balances (\$12.6 million increase in cash), offset by investing activities (\$31.1 million decrease in cash) from capital expenditures incurred at the Eagle Gold Mine and financing activities (\$16.0 million decrease in cash) from principal and interest repayments made on credit facilities.

The following table details the Company’s expected remaining contractual cash flow requirements for its financial liabilities based on repayment or maturity periods as of March 31, 2021. The amounts presented are based on the contractual undiscounted cash flows, these balances may not agree with the carrying amounts on the condensed consolidated interim statements of financial position:

	< 1 YEAR	1 - 3 YEARS	3 - 5 YEARS	TOTAL
<i>Non-derivatives:</i>				
Accounts payable and accrued liabilities	\$ 41,879,584	\$ -	\$ -	\$ 41,879,584
Lease liability	726,447	489,012	736,433	1,951,892
Debt	54,123,655	206,446,219	13,140,589	273,710,463
Total	\$ 96,729,686	\$ 206,935,231	\$ 13,877,022	\$ 317,541,939
<i>Derivatives:</i>				
Derivative instruments	7,891,524	-	17,711,240	25,602,764
Total	\$ 7,891,524	\$ -	\$ 17,711,240	\$ 25,602,764

The Company's future is currently dependent upon the existence and successful processing of economically recoverable mineral reserves to generate sufficient positive cashflows from operations to continue to fund the repayment of current debt which is \$54.1 million for the period April 1, 2021 to March 31, 2022. The Company periodically seeks financing to continue the exploration and evaluation of its exploration and evaluation assets, and to meet its future administrative requirements. Although the Company has been successful in raising funds to date, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods. These material uncertainties lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern and therefore these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company is in the process of advancing certain mineral properties and the recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the ability of the Company to obtain the necessary financing to complete the development and/or upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values.

The Company holds the predominant amount of its cash in chequing and investment accounts at a major Canadian bank. The investment accounts predominantly invest in Government of Canada treasury bills.

OPERATING ACTIVITIES

During the three months ended March 31, 2021, operating activities, including non-cash working capital changes, provided funding of \$12.7 million (\$2.4 million for the three months ended March 31, 2020). The period over period increase in cash flows from operating activities is due to net adjusted operating results, partially offset by decreases in working capital changes and foreign exchange losses on cash balances.

RELATED PARTY TRANSACTIONS

Related parties include key management personnel, Orion Mine Finance, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the three month periods ended March 31, 2021 and March 31, 2020 were as follows:

	March 31, 2021	March 31, 2020
Salaries and other short term employment benefits	\$ 1,232,100	\$ 1,399,100
Share-based compensation	\$ 900,126	\$ 42,789

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of May 13, 2021, the number of issued common shares was 62,410,041 (65,935,702 on a fully diluted basis).

As at May 13, 2021, there were 1,854,995 director, employee and consultant stock options outstanding with an exercise price ranging from \$7.50 to \$12.10 per share and expiring between May 28, 2021 and December 14, 2023. This represents approximately 3.0% of the issued and outstanding common shares. As at May 13, 2021, there were 1,666,667 warrants outstanding with an exercise price of \$9.375 per share and an expiration date of April 13, 2023.

RISK AND UNCERTAINTIES

Operation, exploration and acquisition of mineral properties involves a number of risks and uncertainties, many of which are beyond the Company's control. In addition to the risks noted above, risks related to Financial Instruments as set forth in this MD&A and those risk factors described in the Company's audited MD&A for the year ended December 31, 2020 and Annual Information Form "AIF" dated March 23, 2021 which is available on SEDAR, special consideration should be given when evaluating trends, risk and uncertainties relating to the Company's business.

Coronavirus ("COVID-19")

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada, where the Company operates. The outbreak has caused various levels of governments to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

The risks to the Company of such public health crises also include risks to employee health and safety, shortages of employees, unavailability of contractors and subcontractors, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 and its related impacts may impact the Company's operating and exploration activities and ability to service its debt obligations or obtain financial resources, and over a longer term may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company continues to monitor its ability to access refining operations run by third parties, whom could be subject to any of their own operational restrictions. To date, the Company's Eagle Mine continues to operate and mining operations have been deemed an essential service in the Yukon. The Company has and continues to engage in discussions with Yukon government and local First Nations, to adjust to the dynamic conditions.

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Risk exposure is summarized as follows:

(a) Credit risk

Certain of the Company's financial assets are exposed to a degree of credit risk. The Company endeavours to mitigate credit risk by holding its cash and cash equivalents as cash deposits and short-term government treasury funds with major commercial banks.

Credit risk relating to accounts receivable and restricted cash arises from the possibility that any counterparty to an instrument fails to perform. The Company's accounts receivables include GST, HST and trade receivables. Restricted cash is comprised of reclamation bonds. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada, and interest bearing certificates of deposit held by Wells Fargo and Bank of Nova Scotia. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of cash and cash equivalents, restricted cash, receivables and due from related parties. The maximum exposure is limited to amounts of cash and cash equivalents, restricted cash and receivables on the statement of financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Accounts payables and accrued liabilities are due within the current operating period, from April 1, 2021 through June 30, 2021.

(c) Market risk

I. Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's investments and liabilities. The Company's cash balances are not

subject to significant interest rate risk as balances are current. The Credit Facilities are subject to a variable LIBOR rate. Significant changes in the LIBOR rate could have a significant impact on the Company's loans payable balance in the condensed consolidated interim statements of financial position and interest expense on debt facilities in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

II. Foreign currency risk

The Company incurs minimal exploration expenditures in the United States and holds a portion of its restricted cash and cash and cash equivalents in US dollars. The Company also has debt facilities in US dollars. The Company funds certain construction expenditures in US dollars. This gives rise to a risk that its US dollar expenditures and US dollar cash holdings may be adversely impacted by fluctuations in foreign exchange. The Company does not currently undertake currency hedging activities.

III. Price risk

The Company's financial assets and liabilities are exposed to price risk with respect to commodity prices and prices of the Company's equity investments. The price risk on equity investments is limited due to the nature and low balance of the Company's holdings. Commodity price risk refers to the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company entered into gold zero-cost collars (*Note 12*) under the Company's hedging policy that was adopted by the Board and continues to monitor prices of precious minerals to determine the appropriate course of action to be taken.

There has been no significant change in the risk factors affecting the Company on a period over period basis.

Where prudent, the Company uses insurance, derivative instruments and other methods to mitigate risks.

CONTRACTUAL COMMITMENTS

The Company has no contractual commitments, other than leases of offices and equipment entered into in the normal course of business (*Note 10* of the accompanying condensed consolidated interim financial statements for the three month period ended March 31, 2021). All mineral property agreement commitments are at the option of the Company and the Company can terminate the agreements prior to being required to make payments on the properties.

FOREIGN CURRENCY TRANSLATION

The Company's US operations are denominated in USD, the functional currency of the US entities. The functional currency of all other entities is the Canadian dollar. The presentation currency of the Company is CAD. The Company's Canadian operations have debt denominated in USD which is subject to fluctuations in the exchange rates (USD/CAD). There is a natural off-set with the USD denominated gold sales the Company earns. Accordingly, fluctuations in the exchange rates (USD/CAD) may impact the consolidated results of operations and the consolidated reported net assets. The effect of changes in currency fluctuations

from the functional currency to the presentation currency on the operations' net assets is recorded in the Company's shareholders' equity as a cumulative translation adjustment.

OFF-BALANCE SHEET TRANSACTIONS

During the most recent three months ended March 31, 2021, and up to the date of this report, the Company had no off-balance sheet transactions.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING CHANGES

The Corporation's unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The significant accounting policies applied and recent accounting pronouncements are described in (Note 3) of the Corporation's consolidated financial statements for the year ended December 31, 2020. There have been no changes from the accounting policies applied in the December 31, 2020 financial statements.

The critical accounting estimates and judgements applied in the preparation of the Company's condensed consolidated interim financial statements for the three month period ended March 31, 2021 are consistent with those applied and disclosed in the audited consolidated financial statements for the year ended December 31, 2020. For related details, please refer to the Company's consolidated financial statements, which are available on the Company's website and on SEDAR.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and reclamation bonds. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The reclamation bonds are held with a state of Nevada governmental institution and the Government of Yukon and represent restricted cash, which will be returned to the Company upon the satisfactory completion of reclamation obligations. The reclamation bonds and certain of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in USD\$ leading to currency risk arising from fluctuations in the CAD\$ and USD\$ exchange rate. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

NON-IFRS PERFORMANCE MEASURES

Average realized price per ounce of gold sold

Average realized price per ounce of gold sold is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Average realized price per ounce of gold sold is calculated by dividing gold sales proceeds received by the Company for the relevant period by the ounces of gold sold. It may not be comparable to information in other gold producers' reports and filings.

	THREE MONTHS ENDED March 31, 2021
Revenue per financial statements	\$ 62,749,024
Treatment and refining charges	131,676
Less: Silver revenue from mining operations	(260,370)
Gold revenue from mining operations (a)	\$ 62,620,330
Ounces of gold sold (b)	27,538
Average realized price gold sold C\$ (c) = (a) / (b)	\$ 2,274
Average 1 US\$ → C\$ exchange rate (d)	1.2666
Average realized price gold sold US\$ (c) / (d)	\$ 1,795

Cash costs per ounce of gold sold

Cash cost per ounce of gold sold is a non-IFRS performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Cash cost per ounce may not be comparable to information in other gold producers' reports and filings. The Company has included this non-IFRS performance measure throughout this document as Victoria believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. The Company believes that certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is 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. The following table provides a reconciliation of total cash costs per ounce of gold sold to cost of goods sold per the financial statements for the three months ended March 31, 2021.

	THREE MONTHS ENDED March 31, 2021
Cost of goods sold per financial statements	\$ 25,287,751
Treatment and refining charges	131,676
Less: Site share-based compensation	(294,375)
Less: Silver revenue from mining operations	(260,370)
Cash costs (a)	\$ 24,864,682
Ounces of gold sold (b)	27,538
Cash costs per ounce of gold sold C\$ (c) = (a) / (b)	\$ 903
Average 1 US\$ → C\$ exchange rate (d)	1.2666
Cash costs per ounce of gold sold US\$ (c) / (d)	\$ 713

All-in sustaining costs

All-in sustaining costs ("AISC") include mine site operating costs, sustaining capital, mine site exploration expenditures, reclamation and remediation costs (including accretion and amortization), lease payments related to the mine operations and corporate general and administration expenses. The Company believes that this measure represents the total costs of producing gold from current operations and provides Victoria and other stakeholders with additional information that illustrates the Company's operational performance and ability to generate cash flow. This cost measure seeks to reflect the full cost of gold production from current operations on a per-ounce of gold sold basis. Depreciation and depletion, new project and growth capital, growth exploration, financing costs including interest expense, income tax and Yukon mining tax are not included in AISC.

	THREE MONTHS ENDED March 31, 2021	
Total cash costs	\$	24,864,682
Sustaining capital ⁽¹⁾		27,694,195
Accretion on reclamation provision		76,662
Corporate general and administration costs ⁽²⁾		2,474,334
Payment of lease liabilities		224,628
All-in Sustaining costs (AISC) (a)	\$	55,334,501
Ounces of gold sold (b)		27,538
AISC C\$ (c) = (a) / (b)	\$	2,009
Average 1 US\$ → C\$ exchange rate (d)		1.2666
AISC US\$ (c) / (d)	\$	1,586

(1) Sustaining capital of \$27.7 million for the three months ended March 31, 2021 are related to \$12.5 million for the cash component of capitalized stripping activities, and \$15.2 million for sustaining equipment and infrastructure expenditures. Non-sustaining capital expenditures of \$0.5 million for the three months ended March 31, 2021 relating to the Eagle Deep drilling campaign, have been excluded from AISC.

(2) Corporate general and administration costs is net of amortization for the three months ended March 31, 2021.

Free cash flow

Free cash flow is a non-IFRS performance measure with no standardized meaning under IFRS. Free cash flow is calculated by taking net cash from operating activities less cash flows from (used in) investing activities (primarily consisting of sustaining capital and capitalized stripping costs) and interest paid. Free cash flow per share is calculated by dividing free cash flow by the weighted average number of shares outstanding for the period.

	THREE MONTHS ENDED March 31, 2021	
Net cash flows from operating activities per financial statements	\$	12,719,435
Net cash flows used in investing activities		(31,115,940)
Interest paid		(2,637,898)
Free cash flow (deficiency) (a)	\$	(21,034,404)
Weighted average number of shares (b)		62,127,751
Per share data		
Free cash flow (deficiency) (a) / (b)	\$	(0.34)

EBITDA

Earnings before interest, taxes and depreciation and amortization ("EBITDA") is a non-IFRS financial measure which excludes the following items from net income (loss): finance costs, finance income, income taxes, capital asset depreciation and depletion, equity-settled share-based compensation expense and gains/losses on assets, liabilities and investment dispositions. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use EBITDA as an indicator of Victoria's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. EBITDA is intended to provide

additional information to investors and analysts and does not have any standardized definition under IFRS, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other producers may calculate EBITDA differently. The following table provides a reconciliation of net income in the Company's consolidated financial statements to EBITDA.

	THREE MONTHS ENDED	
	March 31, 2021	March 31, 2020
Net income (loss) per financial statements	\$ 31,800,928	\$ (47,366,083)
Adjustments for:		
Mining and income tax expense	8,100,000	3,229,510
Depreciation and depletion	12,629,524	-
Amortization	26,807	29,074
Share-based payments	900,126	30,445
Finance costs	3,693,593	169,300
Finance income	(10,791)	(92,520)
EBITDA	\$ 57,140,187	\$ (44,000,274)

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There was no change in the Company's internal controls over financial reporting that occurred during the first quarter of 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design and operating effectiveness of the disclosure controls and procedures, that as of March 31, 2021, the Company's disclosure controls and procedures have been designed and operate effectively to provide reasonable assurance that material information is made known to them by others within the Company.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and President and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter

how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

QUALIFIED PERSONS

The technical content of Victoria's MD&A has been reviewed and approved by Paul D. Gray, P. Geo., the Company's Qualified Person as defined by National Instrument ("NI") 43-101.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

"John McConnell"

John McConnell
Chief Executive Officer & President

"Marty Rendall"

Marty Rendall
Chief Financial Officer