



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS**

**For the three months ended March 31, 2022 and March 31, 2021**

**DATED: May 11, 2022**

## TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS .....	2
FORWARD-LOOKING STATEMENTS .....	2
COMPANY OVERVIEW .....	4
HIGHLIGHTS .....	4
CORPORATE INFORMATION (since January 1, 2022) .....	4
REVIEW OF OPERATING RESULTS .....	5
2022 OUTLOOK .....	6
PROPERTY INFORMATION .....	7
EXPLORATION AND DEVELOPMENT ACTIVITIES .....	10
a) Exploration and Development Update .....	10
b) Recently Completed Exploration Activities .....	11
c) Exploration Outlook .....	12
FINANCING ACTIVITIES .....	12
SELECTED FINANCIAL INFORMATION .....	13
FINANCIAL RESULTS .....	14
LIQUIDITY AND CAPITAL RESOURCES .....	16
OPERATING ACTIVITIES .....	17
RELATED PARTY TRANSACTIONS .....	17
OUTSTANDING SHARE DATA .....	17
RISK AND UNCERTAINTIES .....	18
CONTRACTUAL COMMITMENTS .....	20
FOREIGN CURRENCY TRANSLATION .....	20
OFF-BALANCE SHEET TRANSACTIONS .....	20
CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING CHANGES .....	20
FINANCIAL INSTRUMENTS .....	20
NON-IFRS PERFORMANCE MEASURES .....	21
INTERNAL CONTROL OVER FINANCIAL REPORTING .....	23
QUALIFIED PERSONS .....	23
ADDITIONAL INFORMATION .....	24

## VICTORIA GOLD CORP.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

*This Management's Discussion and Analysis has been prepared as at May 11, 2022 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, 2022 and March 31, 2021. 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: the impacts of the pandemic virus outbreak; the Company's community relationships; financing requirements; failure by the Company to maintain its obligations under its debt facilities; operations; production estimates; 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; workforce and labour relations; inherent safety hazards and the health and safety of the Company's employees and contractors; 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; the Company's reliance on one project; illegal mining; information systems and the potential of cyber-attacks on those systems; the adequacy of the Company's insurance;

uncertainty as to reclamation and decommissioning; anti-bribery and anti-corruption laws; 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](http://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 Gold deposits as well as the Nugget, Lynx and Rex Peso targets. 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 powered by the Yukon energy grid.

## HIGHLIGHTS

### Operational highlights – First Quarter 2022

- **Mine production** was 1.3 million tonnes of ore in the quarter.
- **Ore stacked** on the heap leach pad in the quarter was 0.9 million tonnes at an average grade of 0.72 grams per tonne (g/t).
- **Gold production** was 24,358 ounces in the quarter.

### Financial highlights – First Quarter 2022

- **Gold sold** in the quarter was 25,518 ounces, at an average realized price<sup>1</sup> of \$2,328 (US\$1,838) per oz.
- Recognized **revenue** was \$59.5 million based on sales of 25,518 ounces of gold in the quarter.
- **Operating earnings** were \$23.5 million in the quarter.
- **Net income** was \$16.0 million, or \$0.25 per share outstanding in the quarter.
- **Cash costs**<sup>1</sup> were \$783 (US\$618) per oz and all-in sustaining costs (“AISC”)<sup>1</sup> were \$1,904 (US\$1,504) per oz of gold sold in the quarter.
- **EBITDA**<sup>1</sup> were \$38.3 million in the quarter.
- **Free cash flow**<sup>1</sup> deficiency was \$40.0 million, or a deficiency of \$0.63 per share<sup>1</sup> in the quarter.
- **Cash and cash equivalents** were \$40.7 million at March 31, 2022 after net draw of \$20.4 million against the Company’s debt facilities.

## CORPORATE INFORMATION (since January 1, 2022)

On January 24, 2022, the Company announced that John McConnell and the Victoria Gold team were the recipient of the AME 2021 E.A. Scholz Award for excellence in mine development. The recipient of the AME 2021 E.A. Scholz Award are leaders who have made a significant contribution to the mineral exploration and development industry.

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<sup>1</sup> Refer to “Non-IFRS Performance Measures” section.

## REVIEW OF OPERATING RESULTS

		THREE MONTHS ENDED	
		March 31, 2022	March 31, 2021
<b>Operating data</b>			
Ore mined	t	1,328,023	1,562,230
Waste mined	t	2,274,894	4,675,295
Total mined	t	3,602,917	6,237,525
Strip ratio	w:o	1.71	2.99
Mining rate	tpd	40,032	69,311
Ore stacked on pad	t	881,415	950,513
Ore stacked grade	g/t Au	0.72	0.87
Throughput (stacked)	tpd	9,794	10,567
Gold ounces produced	oz	24,358	26,759
Gold ounces sold	oz	25,518	27,538
<b>Financial data</b>			
Revenue <sup>(2)</sup>	\$	59,453,560	62,749,024
Gross profit	\$	26,296,174	24,831,749
Net income	\$	16,047,370	31,800,928
EBITDA <sup>(1)</sup>	\$	38,268,384	57,140,187
Free cash flow <sup>(1)</sup>	\$	(39,956,383)	(21,034,404)
Cash and cash equivalents	\$	40,694,558	21,559,380
Long-term debt	\$	177,499,720	194,613,211
Average realized price <sup>(1)</sup>	\$/oz.	2,328	2,274
Cash costs <sup>(1)</sup>	\$/oz.	783	903
AISC <sup>(1)</sup>	\$/oz.	1,904	2,009
Average 1 US\$ → C\$ exchange rates	\$	1.2663	1.2666
<b>Sales &amp; Cost Metrics (in US\$)</b>			
Average realized price <sup>(1)</sup>	US\$/oz.	1,838	1,795
Cash costs <sup>(1)</sup>	US\$/oz.	618	713
AISC <sup>(1)</sup>	US\$/oz.	1,504	1,586

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

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

### Operations Discussion

#### Gold production and sales

During the three months ended March 31, 2022, the Eagle Gold Mine produced 24,358 ounces of gold, compared to 26,759 ounces of gold production in Q1 2021. The 9% decrease in gold production is attributed to the decrease in ore mined and stacked during the current quarter as well as Q4 2021.

During the three months ended March 31, 2022, the Company sold 25,518 ounces of gold, compared with 27,538 gold ounces sold in Q1 2021. The 7% decrease in gold sold is primarily attributed to the decrease in gold produced.

#### Mining

During the three months ended March 31, 2022, a total of 1.3 million tonnes of ore were mined, at a strip ratio of 1.7:1 with a total of 3.6 million tonnes of material mined. In comparison, 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 for the prior comparable period in 2021.

Total tonnes mined were 42% lower during the three months ended March 31, 2022 as a result of sufficient stockpiles of ore and low stripping requirements for the current period.

### **Processing**

During the three months ended March 31, 2022, a total of 881k tonnes of ore was stacked on the heap leach pad at a throughput rate of 9.8 k tonnes per day. A total of 951k tonnes of ore was stacked on the heap leach pad at a throughput rate of 10.6 k tonnes per day for the prior comparable period in 2021.

Ore stacked on the pad decreased by 7% for the three months ended March 31, 2022 as a result of higher frequency of cold weather operational delays and supply chain challenges which increased unplanned maintenance.

As expected, ore for the quarter had an average grade of 0.72 g/t Au, compared to 0.87 g/t Au in the prior comparable period in 2021 due to mine sequencing.

As at March 31, 2022, the Company estimates there are 102,467 recoverable ounces within mineral inventory.

### **Capital**

The Company incurred a total of \$28.0 million in capital expenditures during the three months ended March 31, 2022 including:

- (1) sustaining capital of \$18.4 million, including:
  - i. scheduled capital component rebuilds on mobile mining fleet of \$2.0 million,
  - ii. expansion to the heap leach pad of \$2.4 million,
  - iii. final construction on the truck shop of \$1.1 million, and
  - iv. construction of the water treatment facility of \$6.6 million;
- (2) capitalized stripping activities of \$9.2 million;
- (3) \$3.3 million growth capital expenditures (growth exploration and mine expansion), and;
- (4) \$2.9 million adjustment to the Company's asset retirement obligation during the quarter.

### **2022 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".

Victoria's operational outlook assumes that operations will continue without any significant COVID-19 related interruptions. The Company has taken precautions to mitigate the risk of COVID-19 on operations. However, the COVID-19 pandemic and any future emergence and spread of similar pathogens could have a material adverse impact on our business, operations and operating results, financial condition, liquidity and market for our securities. Refer to the "Risk and Uncertainties" section of this MD&A.

2022 production and cost guidance is unchanged from when it was originally estimated and released in March 2022.

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

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

AISC<sup>1</sup> for 2022 are expected to be between US\$1,225 and US\$1,425 per oz of gold sold.

Sustaining capital, not including waste stripping, is estimated at US\$55 million for 2022. Sustaining capital will be high in 2022 compared with future years due to one-time infrastructure expenditures including construction of the

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<sup>1</sup> Refer to "Non-IFRS Performance Measures" section.

water treatment plant (US\$17 million) and higher than normal mobile equipment rebuilds (US\$8 million higher than normal).

Capitalized waste stripping is estimated at US\$21 million and is included in AISC<sup>1</sup> but is not included in the sustaining capital above. Waste stripping will be expensed or capitalized based on the actual quarterly stripping ratio versus the expected life of mine stripping ratio and may be quite variable quarter over quarter and year over year. This accounting treatment for waste stripping will affect earnings and capital but will not affect AISC<sup>1</sup> or cash flow.

Growth capital related to Eagle Gold Mine expansion initiatives is estimated at US\$40 million for 2022. In addition, growth exploration spending in 2022 is estimated to be US\$20 million.

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

## **PROPERTY INFORMATION**

The Dublin Gulch property includes the Eagle Gold Deposit, the Olive Deposit, the Wolf Tungsten Deposit, the Potato Hills Trend including the Nugget, Raven, Lynx, 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").

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<sup>1</sup> Refer to "Non-IFRS Performance Measures" section.



## Technical Report Highlights

- Reserves of 3.3 million ozs Au
  - Annual average production of approximately 210,000 ozs Au
  - Cash Costs<sup>(1)</sup> per Au ounce: US\$577
  - All-in Sustaining Costs ("AISC")<sup>(2)</sup> 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.

**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
<b>0.90</b>	310	454	592	725	850	974	1,098	1,222	1,345	1,468	1,592
<b>0.85</b>	390	539	683	817	948	1,079	1,210	1,341	1,471	1,602	1,732
<b>0.80</b>	479	633	779	919	1,058	1,197	1,336	1,475	1,614	1,752	1,891
<b>0.75</b>	576	736	886	<b>1,034</b>	1,183	1,331	1,479	1,627	1,775	1,923	2,070
<b>0.70</b>	685	848	1,007	1,166	1,325	1,483	1,642	1,800	1,959	2,117	2,275
<b>0.65</b>	804	976	1,147	1,318	1,489	1,659	1,830	2,000	2,171	2,341	2,511
<b>0.60</b>	939	1,124	1,310	1,495	1,680	1,864	2,049	2,234	2,418	2,602	2,787

### 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 164,222 ounces of gold in 2021 along with production from December 4, 2019 to December 31, 2020 of 123,543 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, 2021, with a comparison as at the date of the Technical Report demonstrating the depletion due to production activities at the Eagle Gold Mine.

## 2019 – 2021 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, 2021		
		Tonnes (Mt)	Grade (Au)	Contained Au (koz)	Tonnes (Mt)	Grade (Au)	Contained Au (koz)
Eagle	Proven	30	0.71	694	23	0.67	499
	Probable	118	0.63	2,366	103	0.61	2,003
	<b>Total</b>	<b>148</b>	<b>0.64</b>	<b>3,061</b>	<b>126</b>	<b>0.62</b>	<b>2,502</b>
Olive	Proven	2	1.02	58	2	1.02	58
	Probable	5	0.93	142	5	0.93	142
	<b>Total</b>	<b>7</b>	<b>0.95</b>	<b>200</b>	<b>7</b>	<b>0.95</b>	<b>200</b>
<b>Total Gold Reserves</b>	<b>Total</b>	<b>155</b>	<b>0.65</b>	<b>3,261</b>	<b>133</b>	<b>0.65</b>	<b>2,702</b>

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, 2021.
- (6) Since the start of mining, 22M tonnes at 0.80 g/t Au for 559 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 – 2021 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, 2021		
		Tonnes (Mt)	Grade (Au)	Contained Au (koz)	Tonnes (Mt)	Grade (Au)	Contained Au (koz)
Eagle  0.15 g/t cut-off <sup>(2)</sup>	Measured	37	0.71	850	31	0.67	654
	Indicated	180	0.61	3,547	167	0.60	3,209
	<b>Combined (M&amp;I)</b>	<b>217</b>	<b>0.63</b>	<b>4,397</b>	<b>197</b>	<b>0.61</b>	<b>3,863</b>
	Inferred <sup>(8)</sup>	22	0.52	361	21	0.52	361
Olive  0.40 g/t cut-off <sup>(2)</sup>	Measured	2	1.19	75	2	1.19	75
	Indicated	8	1.05	254	8	1.05	254
	<b>Combined (M&amp;I)</b>	<b>10</b>	<b>1.08</b>	<b>329</b>	<b>10</b>	<b>1.08</b>	<b>329</b>
	Inferred <sup>(8)</sup>	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, 22M tonnes at 0.80 g/t Au for 559 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, 2021
- (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, 2022, net of property acquisitions, sales, transfers and impairments, totalling \$51.8 million. During the three months ended March 31, 2022, the Company incurred net exploration and evaluation expenditures totalling \$2.4 million.

Comparatively, the Company had 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.

	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
<b>Balance December 31, 2021</b>	\$ 12,026,909	\$ 35,743,396	\$ 1,583,172	\$ 49,353,477
Salaries and benefits	113,715	68,812	-	182,527
Land claims and royalties	(134,600)	-	74,500	(60,100)
Environmental and permitting	-	4,085	-	4,085
Drilling and indirects	1,276,245	521,804	24,324	1,822,373
Other exploration	146,763	552,440	-	699,203
Exploration and evaluation costs for the period	1,402,123	1,147,142	98,824	2,648,088
Currency translation	(212,823)	-	-	(212,823)
<b>Balance March 31, 2022</b>	\$ 13,216,209	\$ 36,890,538	\$ 1,681,996	\$ 51,788,742

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

For the three months ended March 31, 2022, the Company incurred \$1.1 million in property exploration and evaluation expenditures on its Dublin Gulch, YT property. \$1.1 million was spent on drilling preparations and indirects, assays and exploration support. There was \$0.1 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 50.93% of Lahontan. The primary asset of Lahontan is the Santa Fe property in Nevada.

#### b) Recently Completed Exploration Activities

##### Exploration Update

On March 1, 2022 the Company provided assay results from diamond drillholes received to date from the 2021 Lynx exploration program. Lynx is a newly developing on/near-surface gold target within the Dublin Gulch Gold Camp. During the 2021 season 11 holes for 2,706 m were drilled at Lynx combined with a suite of surface trenches, mapping and soils geochemical surveys. Highlighted assay results received from the first 6 Lynx holes included:

- 2.00 g/t Au over 32.3m in LX21-025C;
- 1.14 g/t Au over 31.4m in LX21-026C;
- 2.52 g/t Au over 10.2m in LX21-027C and
- 3.42 g/t Au over 18.3m in LX21-026C.

A set of drill sections and plan maps to accompany these Lynx drillholes, along with drill collar data can be found on the company website ([www.vgcx.com](http://www.vgcx.com)).

On February 28, 2022 the Company provided assay results received to date from 2021 Raven diamond drillholes. Raven is one of several priority on/near-surface gold targets within the Dublin Gulch Gold Camp and was the primary focus of 2021 Dublin Gulch exploration activities. During the 2021 season, 33 drillholes for 8,063 m were completed at Raven. Highlighted assay results from 19 Raven holes included:

- 1.25 g/t Au over 70.0 m from 245.0m in NG21-067C;
- 1.67 g/t Au over 13.5m from 97.7m in NG21-050C;
- 1.01 g/t Au over 21.1m from 155.8m in NG21-055C;
- 1.74 g/t Au over 15.1m from 92.4m in NG21-061C; and
- 1.49 g/t Au over 21.0m of from 286.7m in NG21-062C.

A set of drill sections and plan maps to accompany these Raven drillholes, along with drill collar data has been made available on the company website ([www.vgcx.com](http://www.vgcx.com)).

On February 24, 2022 the Company reported the analytical results from the 2020/21 Eagle Deep exploration program. The program was completed in mid 2021 and comprised of 9 holes for a total of 6,103 meters of diamond drilling with 3,956 samples processed and analyzed. On average, the holes were to a depth of 800 meters.

Highlights of the 2020/21 Eagle Deep exploration program included:

DG21-993C:

- 443.6m @ 0.64 g/t Au from 24.4m
- including: 175.0m @ 1.22 g/t Au from 148.0m

DG21-997C:

- 110.9m @ 0.72 g/t Au from 201.6m
- and: 50.0m @ 0.79 g/t Au from 394.0m

DG21-1000C:

- 352.0m @ 0.51 g/t Au from 61.0m
- including: 126.0m @ 0.80 g/t Au from 278.0m

### 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".

Significant backlogs at third party laboratories have delayed assay results. Results from remainder of the 2021 exploration campaign are expected during the second quarter of 2022.

The 2022 Exploration Program will focus on 2 areas. Further drilling along the western margins of the Eagle Reserve were completed in April 2022. In May 2022, an extensive program at the Raven target, including an estimated 25,000 m of diamond drilling, will begin.

## 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.

On December 20, 2021 the Company amended the terms of the Loan Facility (both the Revolving Credit Facility and Term Facility). Under the amended agreement, the interest rate would be reduce by 0.50%. Amounts drawn on the Loan Facility are subject to interest at LIBOR plus 2.50% to 3.50% per annum, with the undrawn portion subject to a standby fee of 0.56% to 0.79% per annum. The maturity date of the Revolving Credit Facility has also been extended to December 2024 from December 2023.

The Loan Facility is available by way of US dollar LIBOR loans, with an interest rate ranging from 2.50% to 3.50% over LIBOR (currently one month LIBOR is approximately 0.13%), 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, 2022, 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 2.75%;
- Principal and interest are repayable in 12 equal quarterly installments which began on March 31, 2021.

As at March 31, 2022, principal of US\$58.3 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 2.75%;
- Accrued interest is repayable quarterly and began on March 31, 2021;
- Principal and accrued interest are due at maturity, on December 31, 2024, and may be repaid early without penalty.

As at March 31, 2022, principal of US\$94.9 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 rates of LIBOR plus 2.50-3.50%;
- 4-6 year, amortizing facility, maturing between November 29, 2022 and July 1, 2025;
- Secured by Cat mining equipment.

As at March 31, 2022, principal of US\$32.7 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.

On February 3, 2022, the Company closed a financing for gross proceeds of \$20M, issuing 1.0 million Canadian Exploration Expense ("CEE") flow-through common shares at \$20 per share. The Company intends to use the gross proceeds of the offering for continued exploration activities on the Dublin Gulch property with a focus on the Raven target.

## **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, 2022, March 31, 2021 and March 31, 2020.

**Selected Quarterly Information:**

	March 31, 2022	March 31, 2021	March 31, 2020
Total revenues	\$ 59,453,560	\$ 62,749,024	\$ -
Net income (loss)	\$ 16,047,370	\$ 31,800,928	\$ (47,366,083)
Earnings (loss) per share			
Basic	\$ 0.25	\$ 0.51	\$ (0.82)
Diluted	\$ 0.24	\$ 0.48	\$ (0.82)
Total assets	\$ 958,334,820	\$ 768,886,772	\$ 713,624,629
Total non-current liabilities	\$ 314,897,992	\$ 259,289,874	\$ 334,322,131

**FINANCIAL RESULTS****Three Month Period ended March 31, 2022**

VARIANCE ANALYSIS	THREE MONTHS ENDED		VARIANCE HIGHER/ (LOWER)
	March 31, 2022	March 31, 2021	
Revenue	\$ 59,453,560	\$ 62,749,024	\$ (3,295,464)
Cost of goods sold	20,088,389	25,287,751	(5,199,362)
Depreciation and depletion	13,068,997	12,629,524	439,473
<b>Gross profit</b>	<b>26,296,174</b>	<b>24,831,749</b>	<b>1,464,425</b>
Corporate general and administration	2,760,363	2,501,141	370,648
<b>Operating earnings</b>	<b>23,535,811</b>	<b>22,330,608</b>	<b>1,093,777</b>
Finance income	14,989	10,791	4,197
Finance costs	(2,565,622)	(3,693,593)	1,127,971
Foreign exchange gain (loss)	3,134,939	2,771,723	363,216
Unrealized gain (loss) on marketable securities	4,213,275	(1,057,622)	5,270,897
Unrealized and realized gain (loss) on derivative instruments	(6,180,090)	19,539,021	(25,719,111)
	(1,382,509)	17,570,320	(18,952,830)
<b>Income before taxes</b>	<b>22,153,302</b>	<b>39,900,928</b>	<b>(17,747,626)</b>
Current income taxes	-	-	-
Deferred tax (expense) recovery	(6,105,932)	(8,100,000)	1,994,068
<b>Net income</b>	<b>\$ 16,047,370</b>	<b>\$ 31,800,928</b>	<b>\$ (15,753,558)</b>

**Revenue**

For the three months ended March 31, 2022, the Company recognized revenue of \$59.5 million compared to \$62.7 million for the previous year's comparable period. The decrease in revenue is attributed to a lower number of gold ounces sold, partially offset by a higher average realized price. Revenue is net of treatment and refining charges, which were \$0.1 million for the three months ended March 31, 2022. The Company sold 25,518 ounces of gold at an average realized price of \$2,328 (US\$1,838) (see "Non-IFRS Performance Measures" section), compared to 27,538 ounces at an average realized price of \$2,274 (US\$1,795) (see "Non-IFRS Performance Measures" section), in the first quarter of 2021.

**Cost of goods sold**

Cost of goods sold was \$20.1 million for the three months ended March 31, 2022 compared to \$25.3 million for the previous year's comparable period. The decrease in cost of goods sold is primarily attributed to the change in inventory.

**Depreciation and depletion**

Depreciation and depletion was \$13.1 million for the three months ended March 31, 2022 compared to \$12.6 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.

**Corporate general and administration**

For the three months ended March 31, 2022, the Company had corporate general and administrative costs of \$2.8 million compared to \$2.5 million for the previous year's comparable period. The increase is a result of \$0.2 million higher office and administrative costs than prior year comparable period as a result of increased usage. In addition, the Company reported salaries and benefits of \$1.1 million during the three month period ended March 31, 2022, versus \$1.0 million for the previous year's comparable period. Professional fees, which include legal, accounting and consulting costs are \$0.3 million for the three month period ended March 31, 2022 versus \$0.2 million for the previous year's comparable period. This is offset by lower share-based payments which were \$0.2 million lower than previous year's comparable period due to the number, value and vesting schedule of employee share unit issuances.

**Finance costs, net**

For the three months ended March 31, 2022, the Company recorded net finance costs of \$2.6 million compared to net finance costs of \$3.7 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. Finance costs were lower during the current period due to lower debt balances and lower effective interest rates compared to the previous year's comparable period.

**Foreign exchange gain (loss)**

The Company reported a gain on foreign exchange during the three month period ended March 31, 2022 of \$3.1 million compared to a gain of \$2.8 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, 2022, the Company reported a gain in the fair value of marketable securities of \$4.2 million compared to a loss of \$1.1 million in the previous year's comparable period.

**Unrealized and realized gain (loss) on derivative instruments**

During the three month period ended March 31, 2022, the Company reported a loss in the fair value of derivative instruments of \$6.2 million compared to a gain of \$19.5 million in the previous year. Due to the decrease of the US dollar, partially offset by the strengthening gold price, the gold forwards contributed a gain of \$0.7 million, gold put options contributed a \$0.3 million loss and gold calls contributed a \$4.5 million loss. Due to an increase in the Company's share price over the period, the common stock purchase warrants had a \$2.1 million loss.

**Net income**

The Company reported net income of \$16.0 million (basic and diluted earnings per share of \$0.25 and \$0.24 respectively) for the three month period ended March 31, 2022, compared to net income of \$31.8 million (basic and diluted income per share of \$0.51 and \$0.48 respectively) for the previous year's comparable period. The decrease in net income for the three month period ended March 31, 2022 is the result of unrealized and realized loss on derivative instruments, partially offset by higher operating earnings, unrealized gains on marketable securities and deferred tax recovery.



Total assets increased by \$66.9 million from \$891.4 million to \$958.3 million during the period from January 1, 2022 to March 31, 2022. Current assets increased by \$47.4 million (see "Liquidity and Capital Resources" herein). Property, plant and equipment increased by \$17.3 million primarily due to \$9.2 million in net capitalized stripping costs. Exploration and evaluation assets increased by \$2.4 million due to continued exploration and evaluation expenditures. Total liabilities, primarily deferred premium, derivative instruments, deferred tax liabilities and long-term debt increased by \$33.2 million primarily due to draws from credit facilities to continue operations at the Eagle Gold Mine, partially offset by decreased accounts payable and accrued liabilities.

**Summary of Unaudited Quarterly Results:**

	31 MAR 22	31 DEC 21	30 SEPT 21	30 JUNE 21
Total Revenues	\$ 59,453,560	\$ 110,647,040	\$ 119,548,442	\$ 63,509,127
Net income	\$ 16,047,370	\$ 45,660,450	\$ 31,615,252	\$ 1,291,527
Basic earnings per share	\$ 0.25	\$ 0.73	\$ 0.51	\$ 0.02
Diluted earnings per share	\$ 0.24	\$ 0.69	\$ 0.48	\$ 0.02
	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)

**LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2022, the Company had cash and cash equivalents of \$40.7 million (December 31, 2021 - \$31.3 million) and a working capital surplus of \$118.2 million (December 31, 2021 - \$62.8 million surplus). The increase in cash and cash equivalents of \$9.4 million over the year ended December 31, 2021, was due to financing activities (\$47.8 million increase in cash) from shares issued for cash and draws made on credit facilities and long term debt. This is partially offset by operating activities and changes in working capital including foreign exchange losses on cash balances (\$6.7 million decrease in cash) and investing activities (\$31.5 million decrease in cash) primarily from capital expenditures incurred at the Eagle Gold Mine.

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, 2022. 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	MORE THAN 5 YEARS	TOTAL
<i>Non-derivatives:</i>					
Accounts payable and accrued liabilities	\$ 50,700,634	\$ -	\$ -	\$ -	\$ 50,700,634
Lease liability	774,659	669,474	1,749,886	1,028,057	4,222,076
Debt	52,391,567	181,309,409	12,379,332	-	229,891,288
<b>Total</b>	<b>\$ 103,866,859</b>	<b>\$ 181,978,882</b>	<b>\$ 14,129,218</b>	<b>\$ 1,028,057</b>	<b>\$ 284,813,997</b>
<i>Derivatives:</i>					
Derivative instruments	-	25,470,160	-	-	25,470,160
<b>Total</b>	<b>\$ -</b>	<b>\$ 181,978,882</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,470,160</b>

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 \$52.4 million for the period April 1, 2022 to March 31, 2023. 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.

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, 2022, operating activities, including non-cash working capital changes, used funding of \$6.7 million (\$12.7 million provided for the three months ended March 31, 2021). The year over year decrease in cash flows from operating activities is due to decrease working capital, offset by increases to net adjusted operating results.

### RELATED PARTY TRANSACTIONS

Related parties include key management personnel, Coeur Mining, Inc., 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, 2022 and March 31, 2021 were as follows:

	March 31, 2022	March 31, 2021
Salaries and other short term employment benefits	\$ 933,163	\$ 1,232,100
Share-based compensation	\$ 454,919	\$ 900,126

### OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of May 10, 2022, the number of issued common shares was 64,010,541 (67,191,202 on a fully diluted basis).

As at May 10, 2022, there were 1,254,500 director, employee and consultant stock options outstanding with an exercise price ranging from \$8.05 to \$12.10 per share and expiring between December 9, 2022 and December 14, 2023. This represents approximately 2.0% of the issued and outstanding common shares. As at May 10, 2022, there were 203,500 restricted share units and 56,000 deferred shares units outstanding issued to directors, officers and employees of the Company. As at May 10, 2022, 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, 2021 and Annual Information Form "AIF" dated March 24, 2022 which is available on SEDAR, special consideration should be given when evaluating trends, risk and uncertainties relating to the Company's business. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of Victoria should carefully consider these risk factors

### ***International Conflict***

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

### ***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 COVID-19 pandemic. 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. COVID-19 has caused various levels of governments to impose travel, gathering and other public health restrictions. While these restrictions are expected to be temporary and some have already been removed, 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 full 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. The Company has implemented various measures to help protect its employees, contractors and communities. 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, held by Wells Fargo. 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 and receivables. 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, 2022 through June 30, 2022.

(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 income and comprehensive income.

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 purchased gold put and call options (*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, 2022). 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 operations are entirely in Canada and the functional currency is considered to be 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, 2022, 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, 2021. There have been no changes from the accounting policies applied in the December 31, 2021 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, 2022 are consistent with those applied and disclosed in the audited consolidated financial statements for the year ended December 31, 2021. 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, 2022	March 31, 2021
Revenue per financial statements	\$ 59,453,560	\$ 62,749,024
Treatment and refining charges	144,748	131,676
Less: Silver revenue from mining operations	(200,525)	(260,370)
Gold revenue from mining operations (a)	\$ 59,397,783	\$ 62,620,330
Ounces of gold sold (b)	25,518	27,538
Average realized price gold sold C\$ (c)=(a)/(b)	\$ 2,328	\$ 2,274
Average 1 US\$ → C\$ exchange rate (d)	1.2663	1.2666
<b>Average realized price gold sold US\$ (c)/(d)</b>	<b>\$ 1,838</b>	<b>\$ 1,795</b>

### 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 and year ended March 31, 2022.

	THREE MONTHS ENDED	
	March 31, 2022	March 31, 2021
Cost of goods sold per financial statements	\$ 20,088,389	\$ 25,287,751
Treatment and refining charges	144,748	131,676
Less: Site share-based compensation	(58,192)	(294,375)
Less: Silver revenue from mining operations	(200,525)	(260,370)
Cash costs (a)	\$ 19,974,420	\$ 24,864,682
Ounces of gold sold (b)	25,518	27,538
Cash costs per ounce of gold sold C\$ (c)=(a)/(b)	\$ 783	\$ 903
Average 1 US\$ → C\$ exchange rate (d)	1.2663	1.2666
<b>Cash costs per ounce of gold sold US\$ (c)/(d)</b>	<b>\$ 618</b>	<b>\$ 713</b>

### 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, 2022	March 31, 2021
Total cash costs	\$ 19,974,420	\$ 24,864,682
Sustaining capital <sup>(1)</sup>	25,665,547	27,694,195
Accretion on reclamation provision	173,371	76,662
Corporate general and administration costs <sup>(2)</sup>	2,552,093	2,474,334
Payment of lease liabilities	227,952	224,628
All-in Sustaining costs (AISC) (a)	\$ 48,593,383	\$ 55,334,501
Ounces of gold sold (b)	25,518	27,538
AISC C\$ (c)=(a)/(b)	\$ 1,904	\$ 2,009
Average 1 US\$ → C\$ exchange rate (d)	1.2663	1.2666
<b>AISC US\$ (c)/(d)</b>	<b>\$ 1,504</b>	<b>\$ 1,586</b>

(1) Sustaining capital of \$25.7 million for the three months ended March 31, 2022 are related to \$7.3 million for the cash component of capitalized stripping activities, and \$18.4 million for sustaining equipment and infrastructure expenditures. Non-sustaining growth exploration of \$3.3 million relating to the Eagle Deep drilling for the three months ended March 31, 2022 have been excluded from AISC.

(2) Corporate general and administration costs is net of amortization for the three months and year ended March 31, 2022.

### 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, 2022	March 31, 2021
Net cash flows from (used) in operating activities per financial statements	\$ (6,728,449)	\$ 12,719,435
Net cash flows (used) in investing activities	(31,499,085)	(31,115,940)
Interest (paid)	(1,728,849)	(2,637,898)
<b>Free cash flow (deficiency) (a)</b>	<b>\$ (39,956,383)</b>	<b>\$ (21,034,404)</b>
Weighted average number of shares (b)	63,353,399	62,127,751
<b>Per share data</b>		
<b>Free cash flow (deficiency) (a)/(b)</b>	<b>\$ (0.63)</b>	<b>\$ (0.34)</b>

### EBITDA

Earnings before interest, taxes and depreciation and amortization ("EBITDA") is a non-IFRS financial measure which excludes the following items from net income: 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, 2022	March 31, 2021
Net income per financial statements	\$ 16,047,370	\$ 31,800,928
Adjustments for:		
Income and mining tax expense	6,105,932	8,100,000
Depreciation and depletion	13,068,997	12,629,524
Amortization	26,807	26,807
Share-based payments	468,646	900,126
Finance costs	2,565,622	3,693,593
Finance income	(14,989)	(10,791)
<b>EBITDA</b>	<b>\$ 38,268,384</b>	<b>\$ 57,140,187</b>

## 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 consolidated 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 2022 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, 2022, 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](http://www.sedar.com).

**“John McConnell”**

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John McConnell  
Chief Executive Officer & President

**“Marty Rendall”**

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Marty Rendall  
Chief Financial Officer