VICTORIA GOLD CORP
TSX | VGCX

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

As at and for the year ended December 31, 2021

DATED: March 24, 2022

TABLE OF CONTENTS

VICTORIA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis has been prepared as at March 24, 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 audited consolidated financial statements and the notes thereto of the Company for the year ended December 31, 2021 and December 31, 2020. These consolidated 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.

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 – Fourth Quarter and Year Ended 2021

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

Financial highlights – Fourth Quarter and Year Ended 2021

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

---

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

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

On May 14, 2021, the Company announced that it had adopted a shareholder rights plan (the "Rights Plan") effective May 14, 2021. The Rights Plan is designed to ensure that all Victoria shareholders are treated fairly in connection with any take-over bid and to protect against "creeping bids", which involve the accumulation of more than 20%, on an aggregate basis, of Victoria's common shares through purchases exempt from applicable take over-bid rules.

On May 27, 2021, the Company received approval from the Toronto Stock Exchange (the "TSX") to purchase for cancellation, from time to time over a 12-month period, up to 3,122,493 Common Shares (the "NCIB Program"). Purchases for cancellation under the NCIB Program may commence on June 1, 2021 and will terminate on May 31, 2022 or on such earlier date as the NCIB Program is complete.

On June 23, 2021, the Company announced the results of its Annual General Meeting held on June 23, 2021. All seven individuals nominated as directors were approved. The Board of Directors consists of T. Sean Harvey, Chairman, John McConnell, Michael McInnis, Christopher Hill, Letha MacLachlan Q.C, Joseph Ovsenek and Stephen Scott. Shareholders also voted in favour of appointing Ernst & Young LLP as auditor of the Company for the ensuing year.

On September 12, 2021, the Company announced the following personnel promotions: (1) Hugh Coyle, Vice-president Environment; (2) Jim Dainard, Vice-president Finance; (3) Helena Kuikka, P.Geo., Vice-president Exploration, and; (4) Kelly Parker, Vice-president & General Manager.

On September 15, 2021, the Company announced that it had been included in the Toronto Stock Exchange's 2021 TSX30, a flagship program recognizing the 30 top-performing TSX stocks over a three-year period based on dividend-adjusted share price appreciation. Over the three-year period considered, the price of Victoria shares rose 251%.

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.

REVIEW OF OPERATING RESULTS

		THREE MONTHS ENDED		YEARS ENDED	
		December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020[1]**
Operating data					
Ore mined	t	2,515,702	2,247,243	9,488,128	7,529,181
Waste mined	t	3,200,397	3,084,892	15,028,269	12,370,280
Total mined	t	5,716,099	5,332,135	24,516,397	19,899,461
Strip ratio	w:o	1.27	1.37	1.58	1.64
Mining rate	tpd	62,132	57,997	67,168	54,369
Ore stacked on pad	t	2,539,309	2,316,522	9,157,313	7,271,334
Ore stacked grade	g/t Au	0.83	0.81	0.85	0.84
Throughput (stacked)	tpd	27,601	25,174	25,089	19,866
Gold ounces produced	oz	49,496	42,436	164,222	116,644
Gold ounces sold	oz	49,219	40,023	158,736	102,551
Financial data					
Revenue[3]	$	110,647,040	98,221,599	356,453,633	178,747,827
Gross profit	$	49,786,942	43,159,771	150,973,347	76,315,208
Net income	$	45,660,450	54,851,137	110,368,157	14,891,909
EBITDA[2]	$	66,124,708	80,785,792	219,986,506	65,534,196
Free cash flow[2]	$	31,116,423	20,615,245	26,804,036	48,043,699
Cash and cash equivalents	$	31,250,867	56,136,314	31,250,867	56,136,314
Long-term debt	$	151,250,785	209,660,142	151,250,785	209,660,142
Average realized price[2]	$/oz.	2,251	2,453	2,243	2,480
Cash costs[2]	$/oz.	905	1,013	909	1,039
AISC[2]	$/oz.	1,326	1,459	1,496	1,589
Average 1 US$ → C$ exchange rates	$	1.2603	1.3030	1.2535	1.3176
Sales & Cost Metrics (in US$)					
Average realized price[2]	US$/oz.	1,786	1,883	1,790	1,882
Cash costs[2]	US$/oz.	718	777	725	788
AISC[2]	US$/oz.	1,052	1,120	1,193	1,206

(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 twelve months 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.

Results vs. Revised 2021 Guidance

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

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

Operations Discussion

Gold production and sales

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

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

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

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

Mining

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

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

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

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

Processing

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

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

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

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

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

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

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

Capital

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

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

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.

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

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

Capitalized waste stripping is estimated at US$21 million and is included in AISC[1] 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[1] or cash flow.

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

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

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

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

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

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 64º02′ N and 135º50′ 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.

Table 1: Gold Price Sensitivity Table

Economic Sensitivities After Tax NPV @ 5% (Cdn$ Millions)											
FX	Au Price – US$/oz										
US$/C$	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	1124	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 a "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
	Total	**148**	**0.64**	**3,061**	**126**	**0.62**	**2,502**
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**	**133**	**0.65**	**2,702**

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(2)	Measured	37	0.71	850	31	0.67	654
	Indicated	180	0.61	3,547	167	0.60	3,209
	Combined (M&I)	**217**	**0.63**	**4,397**	**197**	**0.61**	**3,863**
	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, 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 December 31, 2021, net of property acquisitions, sales, transfers and impairments, totalling $49.4 million. During the year ended December 31, 2021, the Company incurred net exploration and evaluation expenditures totalling $8.3 million.

Comparatively, the Company had incurred exploration and evaluation expenditures since inception through December 31, 2020, net of property acquisitions, sales, transfers and impairments, totalling $41.0 million. During the year ended December 31, 2020, the Company incurred net exploration and evaluation expenditures totalling $8.1 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
Sale of property interest	-	-	(131,250)	(131,250)
Salaries and benefits	725,708	837,088	-	1,562,796
Land claims and royalties	676,158	115,800	64,845	856,803
Drilling and indirects	859,128	4,136,413	4,500	5,000,041
Other exploration	538,132	1,614,012	78,148	2,230,292
Exploration and evaluation costs for the year	2,799,126	6,703,313	147,493	9,649,932
Currency translation	(1,191,247)	-	-	(1,191,247)
Balance December 31 2021	$ 12,026,909	$ 35,743,396	$ 1,583,172	$ 49,353,477

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

For the year ended December 31, 2021, the Company incurred $6.7 million in property exploration and evaluation expenditures on its Dublin Gulch, YT property. $5.8 million was spent on drilling, drilling indirects, assays and exploration support. There was $0.8 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 54% of Lahontan. The primary asset of Lahontan is the Santa Fe property in Nevada.

b) Recently Completed Exploration Activities

Exploration Update

Drilling at the past-producing Rex-Peso high-grade silver target just west of the Eagle Gold Mine was completed in the third quarter 2021. Final assays are expected to be received in the second quarter 2022.

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).

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 21m 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).

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 are currently under way and expected to be completed in April 2022. In May 2022, an extensive program at the Raven target, including an estimated 25,000 m of diamond drill, 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 December 31, 2021, the Company is in compliance with all covenants.

<u>Loan Facilities</u>

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 December 31, 2021, principal of US$66.67 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 December 31, 2021, principal of US$67.9 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 December 31, 2021, principal of US$31.1 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 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), for the year ended December 31, 2021, December 31, 2020 and ten month period ended December 31, 2019.

Selected Information for December 31:

		December 31, 2021		December 31, 2020		December 31, 2019
Total revenues	$	356,453,633	$	178,747,827	$	-
Net income (loss)	$	110,368,157	$	14,891,909	$	(9,835,212)
Earnings (loss) per share						
Basic	$	1.77	$	0.25	$	(0.17)
Diluted	$	1.68	$	0.23	$	(0.17)
Total assets	$	891,386,863	$	776,760,617	$	686,615,731
Total non-current liabilities	$	273,626,397	$	277,099,442	$	291,752,840

FINANCIAL RESULTS

Three Month Period ended December 31, 2021

VARIANCE ANALYSIS	THREE MONTHS ENDED December 31, 2021	THREE MONTHS ENDED December 31, 2020	VARIANCE HIGHER/ (LOWER)
Revenue	$ 110,647,040	$ 98,221,599	$ 12,425,441
Cost of goods sold	44,548,458	40,929,335	3,619,123
Depreciation and depletion	16,311,640	14,132,493	2,179,147
Gross profit	49,786,942	43,159,771	6,627,171
Corporate general and administration	2,347,509	3,386,185	(1,038,676)
Operating earnings	47,439,433	39,773,586	7,665,847
Finance income	12,782	27,276	(14,494)
Finance costs	(3,276,003)	(7,424,414)	4,148,411
Foreign exchange gain (loss)	1,005,112	11,781,073	(10,775,961)
Unrealized gain (loss) on marketable securities	2,360,916	(482,978)	2,843,894
Unrealized and realized gain (loss) on derivative instruments	(1,431,731)	12,964,267	(14,395,998)
	(1,328,924)	16,865,224	(18,194,148)
Income before taxes	46,110,510	56,638,810	(10,528,301)
Current income taxes	(3,707,779)	2,672,327	(6,380,106)
Deferred tax (expense) recovery	3,257,720	(4,460,000)	7,717,720
Net income	$ 45,660,450	$ 54,851,137	$ (9,190,687)

Revenue

For the three months ended December 31, 2021, the Company recognized revenue of $110.6 million compared to $98.2 million for the previous year's comparable period. The increase in revenue is attributed to a higher number of gold ounces sold, partially offset by a lower average realized price. Revenue is net of treatment and refining charges, which were $0.5 million for the three months ended December 31, 2021. The Company sold 49,219 ounces of gold at an average realized price of $2,251 (US$1,786) (see "Non-IFRS Performance Measures" section), compared to 40,023 ounces at an average realized price of $2,453 (US$1,883) (see "Non-IFRS Performance Measures" section), in the fourth quarter of 2020.

Cost of goods sold

Cost of goods sold was $44.5 million for the three months ended December 31, 2021 compared to $40.9 million for the previous year's comparable period. The increase in cost of goods sold is primarily attributed to the increase in production costs as a result of higher tonnes mined and gold ounces produced, (including mining, processing, site services and site general and administration costs), royalty and selling costs.

Depreciation and depletion

Depreciation and depletion was $16.3 million for the three months ended December 31, 2021 compared to $14.1 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 December 31, 2021, the Company had corporate general and administrative costs of $2.3 million compared to $3.4 million for the previous year's comparable period. The decrease is a result of share-based payments which were $1.9 million lower than previous year's comparable period due to the number, value and vesting schedule of employee option issuances, partially offset by higher reported salaries and benefits of $0.6 million during the three month period ended December 31, 2021, versus $0.3 million for the previous year's comparable period. In addition, office and administrative costs are $0.3 million higher than the prior year as a result of increased usage.

Finance costs, net

For the three months ended December 31, 2021, the Company recorded net finance costs of $3.3 million compared to net finance costs of $7.4 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.

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 December 31, 2021 of $1.0 million compared to a gain of $11.8 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 December 31, 2021, the Company reported a gain in the fair value of marketable securities of $2.4 million compared to a loss of $0.5 million in the previous year's comparable period.

Unrealized and realized gain (loss) on derivative instruments

During the three month period ended December 31, 2021, the Company reported a loss in the fair value of derivative instruments of $1.4 million compared to a gain of $13.0 million in the previous year. Due to strengthening of the US dollar, partially offset by a decrease in gold price, the zero-cost collar contributed a loss of $1.3 million, gold put options contributed a $0.9 million loss and gold calls contributed a $1.4 million loss. Due to a decrease in the Company's share price over the period, the common stock purchase warrants had a $2.2 million gain.

Net income

The Company reported net income of $45.7 million (basic and diluted earnings per share of $0.73 and $0.69 respectively) for the three month period ended December 31, 2021, compared to net income of $54.9 million (basic and diluted income per share of $0.89 and $0.83 respectively) for the previous year's comparable period. The decrease in net income for the three month period ended December 31, 2021 is the result of unrealized and realized loss on derivative instruments, lower foreign exchange gain and higher current income and mining taxes, partially offset by higher operating earnings, unrealized gains on marketable securities and deferred tax recovery.

For the year ended December 31, 2021

VARIANCE ANALYSIS	FOR THE YEARS ENDED December 31, 2021	December 31, 2020	VARIANCE HIGHER/ (LOWER)
Revenue	**$ 356,453,633**	$ 178,747,827	**$ 177,705,806**
Cost of goods sold	**145,529,073**	75,304,328	**70,224,745**
Depreciation and depletion	**59,951,213**	27,128,291	**32,822,922**
Gross profit	**150,973,347**	76,315,208	**74,658,139**
Corporate general and administration	**8,398,622**	9,389,637	**(991,015)**
Operating earnings	**142,574,725**	66,925,571	**75,649,154**
Finance income	**44,847**	216,445	**(171,598)**
Finance costs	**(13,479,399)**	(13,379,451)	**(99,948)**
Foreign exchange gain (loss)	**232,380**	4,217,047	**(3,984,667)**
Other	**-**	6,721,000	**(6,721,000)**
Unrealized gain (loss) on marketable securities	**2,282,842**	2,643,935	**(361,093)**
Unrealized and realized gain (loss) on derivative instruments	**12,173,198**	(44,837,302)	**57,010,500**
	1,253,868	(44,418,326)	**45,672,194**
Income before taxes	**143,828,593**	22,507,245	**121,321,348**
Current income taxes	**(7,967,779)**	(1,634,488)	**(6,333,291)**
Deferred tax (expense) recovery	**(25,492,657)**	(5,980,848)	**(19,511,809)**
Net income	**$ 110,368,157**	$ 14,891,909	**$ 95,476,258**

Revenue

For the year ended December 31, 2021, the Company recognized revenue of $356.5 million compared to $178.7 million for the previous year's, which only includes six months of revenue as the Company was primarily focused on operational ramp up throughout the first half of 2020 and declared commercial production on July 1, 2020. Revenue is net of treatment and refining charges, which were $1.0 million for the year ended December 31, 2021.

Cost of goods sold

Cost of goods sold of $145.5 million for the year ended December 31, 2021 compared to $75.3 million for the previous year's 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 $60.0 million for the year ended December 31, 2021 compared to $27.1 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

During the year ended December 31, 2021, the Company had corporate general and administrative costs of $8.4 million compared to $9.4 million for the previous year. The decrease is a result of share-based payments which were $0.5 million lower than previous year due to the number, value and vesting schedule of employee option issuances. Professional fees, which include legal, accounting and consulting costs are $0.7 million for the year ended December 31, 2021 versus $1.6 million for the previous year's comparable period. The lower costs are a result of decreased usage. This is partially offset by higher reported salaries and benefits of $0.2 million and higher marketing expnses of $0.1 million.

Finance costs, net

For the year ended December 31, 2021, the Company recorded net finance costs of $13.4 million compared to net finance costs of $13.2 million for the previous year's. Finance costs are composed mostly of interest incurred on the Company's long-term debt facilities, and amortization of deferred financing charges. Annualized finance costs were significantly lower during the current 12 month period due to lower debt balances and lower effective interest rates compared to the previous year', which only includes 6 months. Prior to the achievement of commercial production in July 2020, interest expense and amortization of deferred financing charges associated with the Company's debt facilities were capitalized.

The decrease in finance income for the year 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 year ended December 31, 2021 of $0.2 million compared to a gain of $4.2 million in the previous year's. This is due to fluctuations in the Canadian dollar and US dollar exchange rate.

Unrealized gain (loss) on marketable securities

During the year ended December 31, 2021, the Company reported a gain in the fair value of marketable securities of $2.3 million compared to a gain of $2.6 million in the previous year's.

Unrealized and realized gain (loss) on derivative instruments

During the year ended December 31, 2021, the Company reported a gain in the fair value of derivative instruments of $12.2 million compared to a loss of $44.8 million in the previous year. Due to a material decrease in gold price, the zero-cost collar contributed a gain of $12.9 million, gold put options contributed a $2.7 million loss and gold calls contributed a $2.7 million gain. Due to an increase in the Company's share price over the period, the common stock purchase warrants had a $0.7 million loss.

Net income

The Company reported net income of $110.4 million (basic and diluted earnings per share of $1.77 and $1.68 respectively) for the year ended December 31, 2021, compared to a net income of $14.9 million (basic and diluted income per share of $0.25 and $0.23) for the previous year. The increase in net income for the year ended Decmeber 31, 2021 is the result of operating earnings and unrealized and realized gains on derivative instruments, partially offset by lower foreign exchange gains, higher current income and mining taxes and higher deferred taxes.

Total assets increased by $114.6 million from $776.8 million to $881.6 million during the period from January 1, 2021 to December 31, 2021. Current assets increased by $34.5 million (see "Liquidity and Capital Resources" herein). Property, plant and equipment increased by $46.8 million primarily due to $28.6 million in net capitalized stripping costs. Exploration and evaluation assets increased by $8.3 million due to continued exploration and evaluation expenditures. Total liabilities, primarily accounts payable and accrued liabilities, taxes, derivative instruments and long-term debt decreased by $6.4 million primarily due to repayment of short and long-term liabilities from continued operations at the Eagle Gold Mine and US dollar debt translation, partially offset by increased current and deferred tax liabilities.

Summary of Unaudited Quarterly Results:

	31 DEC 21	30 SEPT 21	30 JUNE 21	31 MAR 21
Total Revenues	$ 110,647,040	$ 119,548,442	$ 63,509,127	$ 62,749,024
Net income	$ 45,660,450	$ 31,615,252	$ 1,291,527	$ 31,800,928
Basic earnings per share	$ 0.73	$ 0.51	$ 0.02	$ 0.51
Diluted earnings per share	$ 0.69	$ 0.48	$ 0.02	$ 0.48
	31 DEC 20	**30 SEPT 20**	**30 JUNE 20**	**31 MAR 20**
Total Revenues	$ 98,221,599	$ 80,526,228	$ -	$ -
Net income (loss)	$ 54,851,137	$ 20,272,444	$(12,865,589)	$(47,366,083)
Basic earnings (loss) per share	$ 0.89	$ 0.33	$ (0.21)	$ (0.82)
Diluted earnings (loss) per share	$ 0.83	$ 0.31	$ (0.21)	$ (0.82)

LIQUIDITY AND CAPITAL RESOURCES

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

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 December 31, 2021. The amounts presented are based on the contractual undiscounted cash flows, these balances may not agree with the carrying amounts on the consolidated statements of financial position:

	< 1 YEAR	1 - 3 YEARS	3 - 5 YEARS	TOTAL
Non-derivatives:				
Accounts payable and accrued liabilities	$ 60,487,577	$ -	$ -	$ 60,487,577
Lease liability	382,130	215,779	790,040	1,387,948
Debt	55,702,552	158,423,481	-	214,126,033
Total	**$ 116,572,259**	**$ 158,639,260**	**$ 790,040**	**$ 276,001,558**
Derivatives:				
Derivative instruments	-	-	18,873,989	18,873,989
Total	**$ -**	**$ -**	**$ 18,873,989**	**$ 18,873,989**

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 $55.7 million for the period January 1, 2022 to December 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 consolidated 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 year ended December 31, 2021, operating activities, including non-cash working capital changes, provided funding of $132.1 million ($112.1 million for the year ended December 31, 2020). The year over year increase in cash flows from operating activities is due to increased higher net adjusted earnings, partially offset by decreases in working capital.

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 year ended December 31, 2021 and December 31, 2020 were as follows:

	December 31, 2021	December 31, 2020
Salaries and other short term employment benefits	**$ 3,360,782**	$ 3,139,640
Share-based compensation	**$ 2,664,920**	$ 1,164,519

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of March 23, 2022, the number of issued common shares was 63,726,540 (66,931,702 on a fully diluted basis).

As at March 23, 2022, there were 1,538,496 director, employee and consultant stock options outstanding with an exercise price ranging from $7.50 to $12.10 per share and expiring between April 15, 2022 and December 14, 2023. This represents approximately 2.4% of the issued and outstanding common shares. As at March 23, 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, 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.

Mineral reserve and resource estimates

Mineral reserve and resource figures are estimates, and there is a risk that any of the mineral resources and mineral reserves identified at the Eagle Gold Mine will not be realized. In addition, the quantity of mineral resources and mineral reserves may vary depending on, among other things, precious metal prices. Any material change in quantity of mineral resources, mineral reserves or percent extraction of those mineral reserves recoverable by open pit mining techniques may affect the economic viability of any project undertaken by the Company. In addition, there is a risk that metal recoveries during production do not reach anticipated rates.

Mineral resources that are not mineral reserves do not have demonstrated economic viability, and there is a risk that they will never be mined or processed profitably.

Dependence on single project

The only material property interest of the Company is the Eagle Gold Mine. Unless the Company acquires additional property interests or advances its other exploration properties, any adverse developments affecting the Eagle Gold Mine could have a material adverse effect upon the Company and would materially and adversely affect the profitability, financial performance and results of operations of the Company. While the Company may seek to develop and acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Exploration and mining risks
The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Financial capability and additional financing
The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and evaluation, including construction, of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities and drawing on debt facilities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan.

Fluctuating prices
Factors beyond the control of Victoria may affect (i) the ability of Victoria to raise additional capital and (ii) the marketability of any gold or any other minerals discovered. Among such factors is the prevailing price for natural resources, including gold, which prices may fluctuate widely and which are affected by numerous considerations beyond Victoria's control. The effect of these factors cannot accurately be predicted.

Dependence on key personnel
Many of Victoria's personnel are specialized, highly skilled and experienced. The Company's current operations and future exploration and development success will depend to a significant extent on its ability to attract and retain qualified personnel. While Victoria has not experienced any significant difficulties to date in attracting and retaining personnel, there can be no assurance that this will continue. The loss of key personnel could have a material adverse effect on the Company's operations and business prospects. In addition, Victoria's ability to keep essential operating staff in place may also be challenged as a result of potential COVID-19 outbreaks or quarantines.

Health and safety
Exploration and mining operations represent inherent safety hazards and maintaining the health and safety of the Company's employees and contractors is of paramount importance to the Company. Health and safety hazard assessments are carried out regularly throughout the lifecycle of the Company's activities, and robust policies, procedures and controls are in place. Significant potential risks include, but are not limited to, fires, rock blasting accidents, vehicle accidents, fall from heights, and contact with energized sources. Any incident resulting in serious injury or death could result in litigation and/or regulatory action (including, but not limited to suspension of operations and/or development activities and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

Government regulations and permitting
Victoria's exploration, development and operations activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which Victoria has properties regulates mining and mineral exploration activities. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and

conditions of existing permits and agreements applicable to Victoria or its properties, which could have a material and adverse effect on Victoria's current exploration, development and operations activities. Where required, obtaining necessary permits can be a complex, time-consuming process and Victoria cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Victoria from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

Title

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral concessions and claims may be disputed. While Victoria believes it has diligently investigated title to the mineral concessions and claims underlying its properties, Victoria cannot guarantee that title to any such properties will not be challenged, or that title to such properties will not be affected by an unknown title defect. Victoria has not surveyed the boundaries of all of its mineral properties and consequently the boundaries of the properties may be disputed.

Estimates contained in production and cost guidance may not be achieved

Victoria utilizes certain assumptions for it's estimates of future production, cash costs and capital costs for operations. Despite the Company's best efforts to budget and estimate such costs, many unforeseen factors can impact the Company's future production and total cash costs of production, such as the cost of inputs used in mining and processing operations, including the cost of fuel, energy, consumables, labour and equipment; regulatory factors; grades and recoveries; royalties and taxes; Canadian dollar to U.S. dollar foreign exchange rates; adverse climatic conditions and natural phenomena; and industrial accidents can impact the accuracy of these projections. No assurance can be given that such estimates will be achieved. Many other factors may result in our failure to achieve our production estimates or materially increase our costs, either of which would have an adverse impact on our future cash flows, results of operations, and financial condition.

Reclamation obligations

There can be no assurance that closure estimates prove to be accurate. The amounts recorded for reclamation costs are estimates unique to a property based on estimates provided by the Company's assessment of the anticipated timing of future reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could affect the extent of reclamation and remediation work required to be performed by the Company. Any such changes in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Operations

Victoria's operations are subject to operational risks and hazards inherent in the mineral exploitation, extraction and production industry, including, but not limited to:

- variations in grade
- deposit size
- geological problems, including earthquakes and other Acts of God
- density and other geological problems
- unusual or unexpected mineralogy or rock formations

- ground or slope failures
- unanticipated ground and water conditions
- hydrological conditions
- flooding or fires
- heap leach pad breaches or failures
- availability or interruption of power supply
- variation in recoveries, metallurgical and other processing challenges
- mechanical equipment performance problems
- periodic interruptions due to inclement or hazardous weather conditions or operating conditions and other force majeure events
- lower than expected ore grades or recovery rates
- accidents
- drill rig shortages
- the unavailability of materials and equipment including fuel
- labour force disruptions, including the ability to keep essential operational staff in place as a result of COVID-19
- unanticipated transportation costs and shipment delays
- delays in receipt of, or failure to receive, necessary government permits
- the results of litigation, including appeals of agency decisions
- unanticipated regulatory changes
- global financial conditions, including market reaction to COVID-19
- unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum and labour
- the failure of equipment or processes to operate in accordance with specifications or expectations
- climate change impacts
- risks related to the COVID-19 outbreak

These risks could result in damage to, or destruction of, our mine, crushing and processing facilities, resulting in partial or complete shutdowns, personal injury or death, environmental or other damage to our properties or the properties of others, delays in mining, reduced production, monetary losses and potential legal liability. Processing operations are subject to hazards, such as equipment failure or failure of retaining dams that may result in personal injury or death, environmental pollution and consequential liabilities.

Should any of these risks and hazards affect any of Victoria’s exploration and operation activities, it may cause delays or a complete stoppage in Victoria’s exploration or operation activities, which would have a material and adverse effect on the business of Victoria.

Information systems and cyber security

The Company's operations depend on information technology (IT) systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority.

Litigation risks
All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the solution of any particular legal proceeding will not have a material adverse effect on the Company’s financial position or results of operations.

Share price fluctuation
Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations or lack of liquidity will not occur in the future, and if they do occur, the Company does not know how severe the impact may be on Victoria’s ability to raise additional funds through equity issues. If the Company is unable to generate such revenues or obtain such additional financing, any investment in Victoria may be materially diminished in value or lost.

Limited operating history and uncertainty of future revenues
Victoria has a limited operating history and it is therefore difficult to evaluate Victoria’s business and future prospects. The future success of Victoria is dependent on the Company’s ability to implement its strategy. While the Victoria leadership team is optimistic about the Company’s prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. Victoria faces risks regarding its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, while at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with Victoria’s growth could have a material adverse effect on the Company’s business, financial condition and results of operations.

Competition
Victoria faces strong competition from other mining companies in connection with the identification and acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, the Company’s future prospects, revenues, operations and financial condition could be materially adversely affected.

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 January 1, 2022 through March 31, 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 consolidated statements of financial position and interest expense on debt facilities in the consolidated statements of 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.

Sensitivity Analysis:

The following table summarizes the sensitivity of the Company's cash, cash equivalents and restricted cash to changes in interest rates and foreign exchange rates over the year ended December 31, 2021.

	CARRYING AMOUNT	INTEREST RATE CHANGE (1)		FOREIGN CURRENCY CHANGE (2)	
		+ 1%	**- 1%**	**+ 10%**	**- 10%**
Cash & cash equivalents (Cdn $)					
Cash - Cdn$ denominated	12,339,453	123,395	(123,395)	-	-
Cash - US$ denominated	18,720,295	187,203	(187,203)	1,872,019	(1,872,029)
Treasury funds – Cdn$ denominated	191,119	1,911	(1,911)	-	-
Total cash & cash equivalents	31,250,867	312,509	(312,509)	1,872,029	(1,872,029)
Reclamation bonds - US$ denominated (interest bearing)	420,761	4,208	(4,208)	42,076	(42,076)
Reclamation bonds - Cdn$ denominated (interest bearing)	99,000	990	(990)	-	-
Total amount or impact - cash and deposits	**31,770,628**	**317,707**	**(317,707)**	**1,914,105**	**(1,914,105)**
Total debt – US$ denominated	**206,953,337**	**(3,076,303)**	**3,076,303**	**(20,695,334)**	**20,695,334**
Total impact – cash, deposits and debt		**(2,758,596)**	**2,758,596**	**(18,781,229)**	**18,781,229**

1) Interest earned on the Company's interest bearing cash accounts, treasury funds and certificates of deposit is at prevailing rates that fluctuate with changes in banking interest rates and Government t-bill rates. Interest expense on the Company's interest bearing debt is at prevailing rates that fluctuate with changes in banking interest rates. Management believes that a plus or minus 1% annual change in rates is a reasonable estimate of variability over a twelve month period.

2) The Company's US dollar cash balance, US dollar reclamation bonds, US dollar based certificates of deposit and US dollar debt balances are subject to foreign exchange risk. Management has shown a sensitivity analysis of a plus or minus change of 10%.

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 audited consolidated financial statements for the year ended December 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 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 twelve months ended December 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 audited consolidated 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.

The preparation of these audited consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The audited consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Asset Retirement Obligation (ARO)

The determination of provisions for environmental rehabilitation and reclamation obligations arising from the Company's evaluation and exploration activities requires the use of estimates and management judgment. Future reclamation costs in relation to changes in estimates are accrued based on management's best estimate at the end of each period of the discounted cash costs expected to be incurred. Accounting for reclamation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations. These estimates are dependent upon labor and materials costs, known environmental impacts, the effectiveness of rehabilitation measures, inflation rates, and pre-tax interest rates that reflect a current market assessment of time value for money and the risk specific to the obligation. The Company also estimates the timing of the outlays, which is subject to change depending on continued exploitation and newly discovered mineral resources.

Actual reclamation costs incurred may differ from those amounts estimated by management. Moreover, future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company, therefore increasing future costs.

Inventory valuation

All inventory is valued at the lower of average costs or net realizable value. Management is required to make various estimates and assumptions to determine the value of stockpiled ore, in-process inventory and finished goods inventory. The estimates and assumptions included surveyed quantities of stockpiled ore, in-process volumes, contained metal content, recoverable metal content, costs to recover saleable metal and metal prices. Changes in these estimates can result in changes to the carrying amounts of inventories and mine operating costs in future periods.

Mineral reserves and resources

Determining mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made and judgement used in engineering and geological interpretation. Mineral reserve estimation may vary as a result of changes in the price of gold and silver, production costs, and with additional knowledge of the ore deposits and mining conditions.

Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's results and financial position, particularly a change in the rate of depreciation and depletion of the related mining asset.

Income taxes and recovery of deferred tax assets

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on income in the period that the changes occur.

Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives. Levels of future taxable income are affected by, among other things, market prices, production costs, quantities of proven and probable reserves, and interest rates.

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		YEAR ENDED	SIX MONTHS ENDED
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Revenue per financial statements	$ 110,647,040	$ 98,221,599	$ 356,453,633	$ 178,747,827
Treatment and refining charges	529,950	283,978	1,031,181	462,565
Less: Silver revenue from mining operations	(392,276)	(320,872)	(1,403,050)	(556,144)
Gold revenue from mining operations (a)	$ 110,784,714	$ 98,184,705	$ 356,081,764	$ 178,654,248
Ounces of gold sold (b)	49,219	40,023	158,736	72,052
Average realized price gold sold C$ (c)=(a)/(b)	$ 2,251	$ 2,453	$ 2,243	$ 2,480
Average 1 US$ → C$ exchange rate (d)	1.2603	1.3030	1.2535	1.3176
Average realized price gold sold US$ (c)/(d)	**$ 1,786**	$ **1,883**	**$ 1,790**	**$ 1,882**

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 December 31, 2021.

	THREE MONTHS ENDED December 31, 2021	December 31, 2020	YEAR ENDED December 31, 2021	SIX MONTHS ENDED December 31, 2020
Cost of goods sold per financial statements	$ 44,548,458	$ 40,929,335	$ 145,529,073	$ 75,304,328
Treatment and refining charges	529,950	283,978	1,031,181	462,565
Less: Site share-based compensation	(134,913)	(366,847)	(871,528)	(366,847)
Less: Silver revenue from mining operations	(392,276)	(320,872)	(1,403,050)	(556,144)
Cash costs (a)	$ 44,551,219	$ 40,525,594	$ 144,285,676	$ 74,843,902
Ounces of gold sold (b)	49,219	40,023	158,736	72,052
Cash costs per ounce of gold sold C$ (c)=(a)/(b)	$ 905	$ 1,013	$ 909	1,039
Average 1 US$ → C$ exchange rate (d)	1.2603	1.3030	1.2535	1.3176
Cash costs per ounce of gold sold US$ (c)/(d)	**$ 718**	$ **777**	**$ 725**	**$ 788**

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 December 31, 2021	December 31, 2020	YEAR ENDED December 31, 2021	SIX MONTHS ENDED December 31, 2020
Total cash costs	$ 44,551,219	$ 40,525,594	$ 144,285,676	$ 74,843,902
Sustaining capital(1)	17,998,639	15,769,340	83,260,373	35,742,567
Accretion on reclamation provision	388,227	85,975	725,951	171,948
Corporate general and administration costs(2)	2,106,833	1,785,944	8,298,336	3,277,737
Payment of lease liabilities	224,935	234,934	902,632	471,314
All-in Sustaining costs (AISC) (a)	$ 65,269,853	$ 58,401,787	$ 237,472,968	$ 114,507,468
Ounces of gold sold (b)	49,219	40,023	158,736	72,052
AISC C$ (c)=(a)/(b)	$ 1,326	$ 1,459	$ 1,496	$ 1,589
Average 1 US$ → C$ exchange rate (d)	1.2603	1.3030	1.2535	1.3176
AISC US$ (c)/(d)	**$ 1,052**	$ **1,120**	**$ 1,193**	**$ 1,206**

(1) Sustaining capital of $18.0 million for the three months ended December 31, 2021 are related to $3.0 million for the cash component of capitalized stripping activities, and $15.0 million for sustaining equipment and infrastructure expenditures. Non-sustaining growth exploration of $4.0 million relating to the Eagle Deep drilling campaign and $1.4 million relating to the Company's asset retirement obligation adjustment for the three months ended December 31, 2021 have been excluded from AISC. Sustaining capital of $83.3 million for the year ended December 31, 2021 are related to $23.4 million for the cash component of capitalized stripping activities, and $59.9 million for sustaining equipment and infrastructure expenditures. Non-sustaining growth exploration of $5.7 million relating to the Eagle Deep drilling campaign and $11.0 million relating to the Company's asset retirement obligation adjustment for the year December 31, 2021 have been excluded from AISC.

(2) Corporate general and administration costs is net of amortization for the three months and year ended December 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		YEAR ENDED	SIX MONTHS ENDED
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Net cash flows from operating activities per financial statements	$ 53,197,712	$ 40,111,872	$ 132,097,962	$ 112,744,674
Net cash flows used in investing activities	(20,092,405)	(14,519,924)	(96,018,885)	(55,171,340)
Interest paid	(1,988,887)	(4,976,703)	(9,275,041)	(9,529,635)
Free cash flow (deficiency) (a)	**$ 31,116,420**	$ **20,615,245**	**$ 26,804,036**	**$ 48,043,699**
Weighted average number of shares (b)	62,656,635	61,947,008	62,446,317	61,889,439
Per share data				
Free cash flow (deficiency) (a)/(b)	**$ 0.50**	$ 0.33	**$ 0.43**	**$ 0.78**

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		FOR YEARS ENDED	
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Net income per financial statements	$ 45,660,450	$ 54,851,137	$ 110,368,157	$ 14,891,909
Adjustments for:				
Income and mining tax expense	450,059	1,787,673	33,460,436	7,615,336
Depreciation and depletion	16,311,640	14,132,493	59,951,213	27,128,291
Amortization	26,807	29,526	107,227	117,384
Share-based payments	412,531	2,587,825	2,664,921	2,618,270
Finance costs	3,276,003	7,424,414	13,479,399	13,379,451
Finance income	(12,782)	(27,276)	(44,847)	(216,445)
EBITDA	**$ 66,124,708**	$ 80,785,792	**$ 219,986,506**	$ 65,534,196

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.

Based on a review of the internal controls over financial reporting at December 31, 2021 conducted by the President and Chief Executive Officer and Chief Financial Officer, the Company's internal controls and procedures are appropriately designed and operating effectively to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

There was no change in the Company's internal controls over financial reporting that occurred during the fourth 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 December 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"	**"Marty Rendall"**
John McConnell	Marty Rendall
Chief Executive Officer & President	Chief Financial Officer