Victoria Gold: Eagle Gold Mine Reserves Increase by 20% to 3.3 Million Ounces Gold

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TORONTO, Dec. 04, 2019 - Victoria Gold Corp. (TSX.V-VIT) (“Victoria” or the “Company”) is excited to announce a new Technical Report, prepared to a Feasibility Study level, for the Eagle Gold Mine. This release reflects Canadian currency unless noted otherwise.

- Reserves increase from 2.7 Million to 3.3 Million ozs Au
- Annual production increases from 200,000 ozs to 220,000 ozs Au
- Cash Cost[1] per Au ounce: US$577
- All-in Sustaining Cost (“AISC”)[2] per Au ounce: US$774
- Post tax Net Present Value @ 5% discount = $1,034 million

1. Cash Cost include: mining, processing and general & administrative costs.
2. AISC include: Cash Costs plus refining, royalties, sustaining capital, reclamation, corporate and sustaining exploration costs.
3. See Non-IFRS Measures disclosure at the end of this press release.

“The results of this updated Technical Report demonstrate the value and continual growth of the Eagle Gold Mine. Reserves have increased by over 20% from the drilling of 58 holes completed post-2016 Feasibility Study and we continue to see meaningful upside potential at the Eagle and Olive pits as well as across the Dublin Gulch property,” stated John McConnell, President & CEO. “*I remind the reader that we continue to ramp up operations at the Eagle Gold Mine and anticipate commercial production achievement during the 2nd quarter, 2020.”*

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

In-Pit Mineral Resource Estimate

The Eagle Mineral Resource update within an updated resource pit constraint resulted in a 21.1% increase in Measured and Indicated (“M+I”) gold ounces as well as a 0.6% increase in gold grade. This Resource update includes all Eagle and Eagle proximal drilling completed post the 2016 Feasibility Study (“FS”), 58 new core holes.

This first principles re-estimation of the Eagle gold domain and grade further validates the Eagle model and results in increased gold grade, tonnage and total gold ounces. The Mineral Resource increased 766,000 oz Au in the M+I categories.

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

Eagle Constrained In-Pit Mineral Resource

Classification	Cut-off Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Au (koz)

Measured	0.15	37	0.71	850
Indicated	0.15	180	0.61	3,547
Meas. + Ind.	0.15	217	0.63	4,397
Inferred	0.15	21	0.52	361

Notes to Table 2:

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

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

Olive Constrained In-Pit Mineral Resource

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

Notes to Table 3:

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

Updated Eagle Resource Model Discussion

The Eagle Resource was updated with the additional drilling performed post the 2016 Eagle Feasibility Study, see Company News release of December 5, 2018 for full details of updated resource.

The drillhole database of the Eagle Gold Mine used for this Resource update has a cut-off date of October 8, 2017. It is comprised of 1,078 holes with 178,490m of drilling and 112,949 assays for gold.

The geology model of the Eagle Zone was built as a mineralized envelope with a cut-off grade of 0.15 g/t Au. This model was built from first principles without influence of previous modelling, and utilized the drillhole database of gold grades. Interpretations of gold mineralization limits were performed on north-south sections spaced at 25m intervals. From the interpretation and the modelling of the mineralized zone, it was observed that the orebody has a consistent geometry that is continuous from one section to the next.

The estimation of gold grades was performed with the ordinary kriging technique on capped composites. The block model structure consists of an orthogonal model (no rotation) with block dimensions of 10m (X) x 10m (Y) x 5m (Z) with specific gravity (SG) values based on lithology, and reduced oxidation state. A minimum of

2 and maximum of 12 samples were required to calculate a block estimate. The search ellipsoid was dimensioned and oriented according to the variogram models. The grade estimation process consisted of a 3-pass approach with the parameters of the first pass (long axis 80°/0° at 56.0m; short axis 170°/0° at 25.0m; vertical axis 80°/-90° at 75.0m). The estimation parameters of the second and third passes are the same with the exception of an enlarged search ellipsoid by 1.5 times and 3 times the dimensions from the first pass, respectively. Only blocks within the modeled mineralized zone were estimated.

The mineral resource was classified as Measured, Indicated, and Inferred based on the variogram ranges of the second structures. The average distance of samples from the block center was utilized as the classification criterion. Measured, Indicated, and Inferred Resources were assigned to the estimates of the Eagle Zone. The distances to categorize the resources into the different classes were Measured (≤ 17.0m), Indicated (> 17.0m and ≤ 52.0m) and Inferred (>52.0m).

Mineral Reserves

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

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

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

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

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

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

Notes to Table 4:

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

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

Area	Classification	Ore (Mt)	Diluted Grade (g/t)	Contained Gold (koz)
	Proven	30	0.71	694
Eagle	Probable	118	0.63	2,366
	Total	148	0.64	3,061

	Proven	2	1.02	58
Olive	Probable	5	0.93	142
	Total	7	0.67	200
Eagle + Olive	Total	155	0.65	3,261

Notes to Table 5:

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

Mining

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

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

Processing

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

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

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

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

Infrastructure

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

Initial Capital Cost

The initial capital cost for Eagle is sunk and more fully described in the Technical Report.

Sustaining Capital Cost Estimate

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

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

Operating Costs

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

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

Financial Analysis

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

Pre-tax

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

Post-tax

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

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

Opportunities

The most impactful opportunity the company is currently pursuing is year-round stacking as is currently practiced at other northern heap leach operations.

Effective and Filing Date

The effective date of the Technical report is November 15, 2019 and it will be filed on SEDAR within 45 days.

About the Dublin Gulch Property

Victoria Gold's 100%-owned Dublin Gulch gold property is situated in central Yukon Territory, Canada, approximately 375 kilometers north of the capital city of Whitehorse, and approximately 85 kilometers from the town of Mayo. The Property is accessible by road year-round, and connected to Yukon Energy's electrical grid.

The Property covers an area of approximately 555 square kilometers, and is the site of the Company's Eagle Gold Deposit. The Eagle Gold Mine is in operations and is Yukon's newest operating gold mine. The Eagle and Olive deposits, include Proven and Probable Reserves of 3.3 million ounces of gold from 155 million tonnes of ore with a grade of 0.65 grams of gold per tonne, as outlined in a National Instrument 43-101 Technical Report for the Eagle Gold Mine and dated December 3, 2019. The NI 43-101 Mineral Resource for the Eagle and Olive deposits has been estimated to host 227 million tonnes averaging 0.67 grams of gold per tonne, containing 4.7 million ounces of gold in the "Measured and Indicated" category, inclusive of Proven and Probable Reserves, and a further 28 million tonnes averaging 0.65 grams of gold per tonne, containing 0.6 million ounces of gold in the "Inferred" category.

Qualified Person
The technical content of this news release has been reviewed and approved by Anthony (Tony) George, P.Eng. and Paul D. Gray, P.Geo, as the Qualified Persons. For additional information relating to the Property, refer to the technical report entitled “NI 43-101 Technical Report for the Eagle Gold Mine, Yukon Territory, Canada”, with an effective date of November 15, 2019, which is available on the Company’s profile at www.sedar.com.

Non-IFRS Measures
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.

Cautionary Language and Forward-Looking Statements
Neither the TSX Venture Exchange, nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release. This press release includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.

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