

# Victoria Gold Announces Execution of Definitive Documentation for the Eagle Financing Package and Closing of Equity and Royalty (First Tranche)

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TORONTO, April 16, 2018 (GLOBE NEWSWIRE) -- [Victoria Gold Corp.](#) (TSX:V-VIT) &quot;Victoria&rdquo; or the &quot;Company&rdquo; is pleased to announce that it has finalized and executed definitive transaction agreements with Orion Mine Finance (&quot;Orion&rdquo;), [Osisko Gold Royalties Ltd.](#) (&quot;Osisko&rdquo;) and Caterpillar Financial Services Limited (&quot;Cat Financial&rdquo;) with respect to the previously announced construction financing package totalling approximately C\$505 million in aggregate (the &quot;Financing&rdquo;) that will fully fund the development of the Eagle Gold project through to commercial production.

Victoria is also pleased to announce that the private placement subscriptions by each of Orion and Osisko have closed, and Victoria has issued 150,000,000 common shares to Orion and 100,000,000 common shares to Osisko at a price of C\$0.50 per share for aggregate gross proceeds of C\$125 million. Victoria also completed the issuance to Orion of 25,000,000 common share purchase warrants. All securities issued to Orion and Osisko under the private placement are subject to a four-month hold period expiring on August 13, 2018, pursuant to applicable securities legislation.

Additionally, pursuant to the royalty purchase agreement between Victoria, its wholly-owned subsidiary [StrataGold Corp.](#) and Osisko, Victoria has closed the first tranche of the royalty purchase for a price of C\$49 million for total gross proceeds to Victoria of C\$174 million including the private placements.

John McConnell, President & CEO, commented: &quot;We are excited to have completed this comprehensive financing package for the construction of the Eagle Gold project. Together with our partners, we are now moving forward with the development of the most significant mining project in the Yukon to date. We look forward to building a high-quality, profitable, and environmentally safe project that will deliver significant economic benefit to all of our stakeholders.&rdquo;

Chief Simon Mervyn, commented: &quot;The First Nation of Nacho Nyak Dunn would like to congratulate Victoria on successfully securing project financing for the Eagle Gold project. We have worked with Victoria for many years establishing a mutually beneficial relationship and they have exemplified the &quot;model&rdquo; for companies wishing to work in our Traditional Territory. Several of our citizens are already employed early in the construction phase and many of our business partners are delivering value via construction contracts including earthworks, camp maintenance, catering, fuel supply, concrete and tire supply for the main mining equipment.&rdquo;

Premier Sandy Silver commented: &quot;We are very pleased to see the Eagle Gold Project take this important step forward. Today&rsquo;s announcement is great news for the territory and testament to the hard work of so many that have worked to make Yukon one of the world&rsquo;s most attractive places to invest. I would like to congratulate all parties including the First Nation of Na-Cho Nyak Dunn and Victoria Gold for getting the project to this stage in the process.&rdquo;

## Transaction Details

In connection with the Financing, Victoria has (together, in certain cases, with its subsidiaries) entered into, with Orion:

- a credit agreement with respect to a US\$75 million (approximately C\$96 million) senior secured credit facility;
- a credit agreement with respect to a US\$100 million (approximately C\$128 million) subordinated secured credit facility;
- a subscription agreement with respect to a private placement of 150,000,000 common shares of Victoria to Orion at a price of C\$0.50 per share for gross proceeds of C\$75 million;
- a warrant certificate with respect to 25,000,000 common share purchase warrants issued to Orion, with each warrant entitling Orion to purchase one common share of Victoria at a price of C\$0.625 per share for a period of five years;
- a gold call option certificate with respect to options on 20,000 ounces of refined gold issued to Orion at a price of US\$1,485 per ounce, with an exercise date of April 13, 2023; and
- an offtake agreement entitling Orion to purchase 25% of the gold production from the Eagle Gold project on the terms set out therein.

Victoria has also (together, in certain cases, with its subsidiaries) entered into, with Osisko:

- a royalty purchase agreement and royalty agreement with respect to the granting of a 5% net smelter return royalty (subject to reduction to 3% upon the achievement of certain output thresholds) to Osisko on the Dublin Gulch property (subject to certain exclusions), which includes the Eagle Gold project for an aggregate purchase price of C\$98 million; and
- a subscription agreement with respect to a private placement of 100,000,000 common shares of Victoria to Osisko at a price of C\$0.50 per share for gross proceeds of C\$50 million;

Separately, Victoria has also entered into, with Cat Financial, a master lease agreement with respect to a US\$50 million equipment financing facility.

Funding of the remaining tranche of the royalty purchase, the senior and subordinated credit facilities, and the Cat Financial lease is subject to the satisfaction of certain conditions precedent, and completion of necessary steps to perfect the security interests in respect of the Orion credit facilities, Osisko royalty and Cat Financial equipment financing. The second tranche of C\$49 million of the royalty purchase is to be funded pro rata to drawdowns under the subordinated debt component of the Orion credit facilities.

Following closing of the private placement common share subscriptions, Orion controls approximately 19% of Victoria's common shares and Osisko controls approximately 16% of Victoria's common shares, in each case on an undiluted basis, which includes shares previously held by Osisko in the Company. Additionally, each of Orion and Osisko have a right to nominate one member to Victoria's board of directors, which nominations are expected to be announced in the coming weeks.

Auramet International and BMO Capital Markets acted as financial advisors to Victoria in connection with the Financing. Bennett Jones LLP and Cassels Brock LLP acted as Victoria's legal counsel.

The completion of the Orion credit facilities, the Osisko royalty and the private placements to Osisko and Orion have been conditionally approved by the TSX Venture Exchange ("TSXV"). Final approval remains subject to satisfaction of the customary conditions of the TSXV.

#### About the Dublin Gulch Property

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

The Property covers an area of approximately 555 square kilometres and is the site of the Company's Eagle Gold Deposit. The Eagle Gold Mine is expected to be Yukon's next operating gold mine and, between the Eagle and Olive deposits, include Proven and Probable Reserves of 2.7 million ounces of gold from 123 million tonnes of ore with a grade of 0.67 grams of gold per tonne, as outlined in a National Instrument 43-101 feasibility study. The NI 43-101 Mineral Resource for the Eagle and Olive deposits has been estimated to host 191 million tonnes averaging 0.65 grams of gold per tonne, containing 4.0 million ounces

of gold in the "Measured and Indicated" category, inclusive of Proven and Probable Reserves, and a further 24 million tonnes averaging 0.61 grams of gold per tonne, containing 0.5 million ounces of gold in the "Inferred" category.

#### Qualified Person

The technical content of this news release has been reviewed and approved by Tony George, P.Eng., as the Qualified Person. For additional information relating to the Property, refer to the technical report entitled "NI 43-101 Feasibility Study Technical Report for the Eagle Gold Project, Yukon Territory, Canada", with an effective date of September 12, 2016, which is available on the Company's profile at [www.sedar.com](http://www.sedar.com).

#### Cautionary Language and Forward Looking Statements

This news release includes certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation, including statements regarding the Eagle Gold project being fully funded, the construction of the Eagle Gold project, satisfaction of conditions precedent with respect to the Orion credit facilities, Osisko royalty (second tranche), Orion offtake arrangements, Cat Financial equipment financing, intercreditor arrangements, security arrangements, completion and funding under the Orion credit facilities, Osisko royalty (second tranche) and Cat Financial equipment financing, projections regarding future production and production costs. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Victoria's control, including risks associated with the ability of Victoria to satisfy the conditions precedent for completion of the Orion credit facilities, Osisko royalty (second tranche), and Cat Financial equipment financing and to receive funding under them; the volatility of metal prices; risks and dangers inherent in exploration, development and mining activities; risks of not achieving construction and development timelines and estimates; uncertainty of mineral reserve and mineral resource estimates; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; risks related to environmental regulations or hazards and compliance with complex regulations associated with mining activities; risks related to remote operations and the availability of adequate infrastructure, fluctuations in price and availability of energy and other inputs necessary for construction development and ultimately mining operations; shortages or cost increases in necessary equipment, supplies and labour; regulatory risks; climate change risks; volatility of global financial conditions; risks related to reliance upon contractors and third parties; challenges to title or surface rights; dependence on key personnel; risks associated with conflicts of interest among the Company's directors and officers; the risk of an uninsurable or uninsured loss; litigation risk; taxation, including changes in tax laws and interpretation of tax laws; community and aboriginal support for the Company's operations including risks related to strikes and the halting of such operations, from time to time; as well as other factors identified and as described in more detail under the heading "Risk Factors" in Victoria's most recent Annual Information Form and the Company's other filings with Canadian securities regulators, which may be viewed at [www.sedar.com](http://www.sedar.com).

The list is not exhaustive of the factors that may affect the Company's forward-looking statements. There can be no assurance that such statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Victoria will derive therefrom. The Company's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and except as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

For Further Information Contact:  
John McConnell  
President & CEO  
[Victoria Gold Corp.](http://VictoriaGoldCorp.com)  
Tel: 416-866-8800

Fax: 416-866-8801  
www.vitgoldcorp.com

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