VICTORIA GOLD CORP

TSX | VGCX

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three and six months ended June 30, 2020 and May 31, 2019

DATED: August 13, 2020

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VICTORIA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis has been prepared as at August 13, 2020 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization, mineral resources and mineral reserves, exploration results and future plans and objectives of Victoria Gold Corp. (the "Company" or "Victoria") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following management's discussion and analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and the notes thereto of the Company for the three and six month periods ended June 30, 2020 and May 31, 2019. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and all amounts are expressed in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

These condensed consolidated interim financial statements and MD&A contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include mineral reserve and resource estimates, estimates of future production and the timing thereof and costs and timing of drilling campaigns, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated mineral resources and reserves, inaccurate estimated mineral resources and mineral reserves, exploration and drilling success or failure, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, securing financing, inflation, changes in exchange rates, fluctuations in commodity prices, availability or interruption of power supply, mechanical equipment performance problems, natural disasters, pandemics, accidents, labour force disruptions, unanticipated transportation costs and shipping delays, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

OVERVIEW

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

CORPORATE HIGHLIGHTS (since January 1, 2020)

Change in financial year-end – In 2019 the Company changed its fiscal year end to December 31, from its previous fiscal year end of February 28. Consequently, the Company has now reverted to a customary quarterly reporting calendar based on a December 31 financial year end, with fiscal quarters ending on the last day in March, June, September, and December each year. In this MD&A, references to Q2 2020 relate to the three and six months period ended June 30, 2020. For comparative purposes, the results for Q2 2020 have been compared to the three and six months ended May 31, 2019.

On February 18, 2020, the Company announced that it had received final approval from the TSX for the graduation of its listing from the TSX Venture Exchange ("TSXV") to the Toronto Stock Exchange ("TSX"). The common shares of the Company began trading on the TSX, under the new symbol "VGCX" on February 19, 2020.

On May 14, 2020, the Company was proud, on behalf of its employees and contractors, to announce a donation of $100,000 to the Food Bank Society of Whitehorse, which provides emergency food and food hampers to Yukoners in need. During the ongoing COVID-19 pandemic, Victoria's support is helping to enable the Society, in partnership with several not-for-profit community organizations and Yukon First Nations governments, to continue to provide food hampers to Yukon communities on a regular basis and implement a regular meal program seven days a week in Whitehorse, which includes the provision of lunch and dinner. The donation allows the Society to increase food hamper sizes and distribution to Yukon communities, which will also benefit all citizens of the Village of Mayo and Keno City.

FINANCING ACTIVITIES

Eagle Gold Project Financing

On May 28, 2019, the Company announced certain amendments to its existing debt facilities. The Company increased the senior secured credit facility to US$100 million from US$75 million while decreasing the subordinated secured credit facility to US$75 million from US$100 million. The quantum of the combined credit facilities remains unchanged at US$175 million. The subordinated secured credit facility continues to be held by Orion Mine Finance ("Orion") while the senior secured credit facility is held by Societe Generale ("SocGen"), Macquarie Bank Ltd. ("Macquarie") and Caterpillar Financial Services Limited ("Cat Financial").

The existing debt facilities include certain covenants that impact each fiscal quarter commencing August 30, 2020. As at June 30, 2020, the Company is in compliance with all covenants.

Debt Facilities

Senior Secured Debt Facility

US$100 million debt facility with SocGen, Macquarie and Cat Financial under the following commercial terms:

- Interest rate of 3-month LIBOR (minimum LIBOR set at 1.5%) plus 5.00%;
- Interest accrues until May 31, 2020;
- Principal and accrued interest is repayable in 15 quarterly installments which began on May 31, 2020.

As at June 30, 2020, the Company had drawn the full US$100 million Senior Secured Facility. Deferred financing charges in the amount of $1.5 million will be amortized over the term using the effective interest rate method.

Subordinated Loan Facility

US$75 million debt facility with Orion under the following commercial terms:

- Interest rate of 3-month LIBOR (minimum LIBOR set at 1.5%) plus 6.70%;
- Interest accrues until May 31, 2020;
- Accrued interest is repayable quarterly beginning on August 31, 2020;
- Principal is due at maturity on May 31, 2024.

As at June 30, 2020, the Company had drawn the full US$75 million Subordinated Loan Facility. Deferred financing charges in the amount of $1.8 million will be amortized over the term using the effective interest rate method.

Equipment Finance Facility

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

- Available for drawdown against the acquisition cost of Cat mining equipment;
- Interest rate of 3-month LIBOR (minimum LIBOR set at 1.0%) plus 4.25%;
- 4-6 year, amortizing facility, maturing between November 29, 2022 and July 1, 2025;
- Secured by Cat mining equipment.

As at June 30, 2020, the Company had drawn US$49.9 million of the Equipment Finance Facility. Quarterly repayments commenced in November 2018. Deferred financing charges in the amount of $2.7 million will be amortized over the term using the effective interest rate method.

Details of the Company's Projects can be found within the Property Information, Recently Completed Activities & Outlook section within this MD&A.

On February 27, 2020, the Company closed a brokered flow-through financing of 801,822 common shares of the Corporation, that qualify as CDE flow through shares, at a price of $8.73 per share for gross proceeds of $6,999,900. No finders' fees were paid in connection with this transaction. The flow-through shares were subject to a four-month hold period.

February 27, 2020 CDE Flow-through Financing
(All amounts are approximate)

Description	Prior Disclosure	Actual Spent June 30, 2020	Remaining	Total	Variance
Eagle Mine Canadian Development Expenses (CDE)	$7.0	$7.0	$0	$7.0	Nil

On May 8, 2020, the Company closed a brokered prospectus financing of common shares with a syndicate of underwriters co-led by BMO Capital Markets and PI Financial Corp. and including Cormark Securities Inc. 3,007,250 common shares of the Corporation, including the over-allotment, were issued at a price of $7.65 per share for gross proceeds of $23,005,463. Underwriter fees of 5% and other issuance costs were paid in connection with this transaction.

May 8, 2020 Short Form Prospectus Financing
(All amounts are approximate)

Description	Prior Disclosure	Actual Spent June 30, 2020	Remaining	Total	Variance
Mining, including open pit blasting, load & haul	$7.4	$7.4	$0	$7.4	Nil
Processing, including heap leaching and ADR plant	$8.6	$8.6	$0	$8.6	Nil
Sustaining Capital, including heap leach pad expansion	$2.5	$2.5	$0	$2.5	Nil
General & Administrative	$2.5	$2.5	$0	$2.5	Nil
Working Capital & Corporate costs	$2.0	$2.0	$0	$2.0	Nil
Total	**$23.0**	**$23.0**	**$0**	**$23.0**	Nil

EXPLORATION AND DEVELOPMENT ACTIVITIES

The Company has incurred exploration and evaluation expenditures since inception through June 30, 2020, net of property acquisitions, sales, transfers and impairments, totalling $33.9 million. During the six months ended June 30, 2020, the Company incurred net exploration and evaluation expenditures totalling $1.0 million.

Comparatively, the Company had incurred exploration and evaluation expenditures since inception through May 31, 2019, net of property acquisitions, sales, transfers and impairments, totalling $31.7 million. During the six months ended May 31, 2019, the Company incurred net exploration and evaluation expenditures totalling $1.7 million.

	Santa Fe (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2019	$ 6,585,828	$ 24,642,125	$ 1,681,929	$ 32,909,882
Sale of property interest	-	-	-	-
Salaries and benefits	32,136	414,292	-	446,428
Amortization	-	-	-	-
Consulting and administration	9,141	-	-	9,141
Land claims and royalties	-	15,000	57,500	72,500
Environmental and permitting	13,595	-	-	13,595
Government and community relations	-	-	-	-
Drilling and indirects	-	-	-	-
Other exploration	-	168,253	-	168,253
Exploration and evaluation costs for the period	54,872	597,545	57,500	709,917
Currency translation	324,322	-	-	324,322
Balance June 30, 2020	$ 6,965,022	$ 25,239,670	$ 1,739,429	$ 33,944,121

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

For the six months ended June 30, 2020, the Company incurred $0.6 million in property exploration and evaluation expenditures on its Dublin Gulch, YT property. $0.2 million was spent on exploration support. There was $0.4 million incurred for salaries and benefits.

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES & OUTLOOK

a) Property Information

The Dublin Gulch property includes the Eagle Gold Deposit, the Olive-Shamrock Deposit, the Wolf Tungsten Deposit, the Potato Hills Trend including the Nugget, Raven, Popeye, Rex-Peso, East Potato Hills, Eagle West, Falcon, as well as other targets. The property is located 85 km by road north of the village of Mayo in the Yukon, Canada. The property is centered on the confluence of the Haggart Creek and Dublin Gulch, at approximately 64º02′ N and 135º50′ W. The property comprises an aggregate area of approximately 555 square kilometres.

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").

<u>Technical Report Highlights</u>

- 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

In-Pit Mineral Resource Estimate

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

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

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

Notes to Table 2:

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

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

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

Notes to Table 3:

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

Mineral Reserves

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

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

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

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

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

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

Notes to Table 4:

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

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

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

Notes to Table 5:

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

Mining

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

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

Processing

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

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

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

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

<u>Infrastructure</u>

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.

<u>Sustaining Capital Cost Estimate</u>

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**

<u>Operating Costs</u>

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

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

Financial Analysis

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

Pre-tax

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

Post-tax

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

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

Operational and Sustaining Capital Cost Estimate Fluctuations

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

b) Recently Completed Activities

Eagle Gold Mine Construction

Construction updates were issued in May 2018, September 2018, December 2018, February 2019, March 2019, May 2019, June 2019 and September 2019. These updates can be found on the Company's website.

Eagle Gold Mine Operations

On July 1, 2020, the Company declared commercial production at the Eagle Gold Mine. All facilities required at this stage of the mine life are complete. Mining, crushing, processing and maintenance operations are performing at a high level. Assessment of commercial production is partially based on management judgement. Primary considerations management will use in their assessment of determining commercial production are; continued mining, stacking ore on the heap leach pad and pouring gold doré at close to design capacity for an extended and consistent period. The Company's first reporting period under commercial production will be the 3rd quarter ended September 30, 2020.

Operational updates were issued in September 2019, October 2019, November 2019, April 2020, May 2020, June 2020 and July 2020. The June 2020 update is included below while the other updates can be found on the Company's website.

On July 7, 2020, the Company provided an update on the Eagle Gold Mine's operations.

Site Operations, including mining of ore and waste as well as ore crushed and stacked on the Heap Leach Facility, continue to perform well. During June, gold produced/poured and ounces of gold sold increased sharply with further increases expected over the coming months:

	June 2020	YTD
Hours Without A Lost Time Incident	90,363	460,500
Ore mined (tonnes)	764,613	3,204,806
Waste mined (tonnes)	1,285,372	4,851,225
Ore stacked (tonnes)	693,944	3,045,442
Grade (gpt)	0.97	0.86
Gold produced (ozs)*	13,828	38,896

**Metal sales to date have been capitalized to Property, Plant & Equipment.*

COVID-19 Protocols:
The Company continues to follow strict Covid-19 protocols at the Eagle Mine site as well as across the Company's work locations. Yukon is currently in Phase 2 of lifting Covid-19 restrictions. Personnel from Yukon and British Columbia are no longer required to self-isolate prior to coming to site, however, all workers from outside the Canadian territories and BC will self-isolate in Whitehorse for 14 days prior to traveling to site. The Eagle Mine site continues to operate on a 4 week in / 4 week out schedule rather than the normal pre-Covid-19 2 week in / 2 week out schedule.

Safety Milestone:
On July 23, 2020, the Eagle Gold Mine surpassed two years, representing 2,481,000 hours, without a LTI. This milestone was achieved during a significant transition time as the team completed construction & commissioning, started operations and ramped up to commercial production on July 1st of this year (see News Release dated July 1, 2020). This impressive safety record was realized while the Company navigated the complexities arising from the current Covid-19 travel restrictions and protocols.

c) 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”.

Guidance – H2 2020 (July through December)

On July 14, 2020, the Company provided inaugural guidance for the Eagle Gold Mine. The Company expected to produce between 85,000 and 100,000 ounces of gold during the 6 month period from July through December 2020 at an all in sustaining cost (“AISC”) of US$950 – US$1,100 per ounce.

The range of the production and cost guidance provided takes into consideration both the continued material uncertainties caused by the COVID-19 pandemic as well as the final ramp up from commencement of Commercial Production through to full capacity production.

The Company expects gold production to continue to ramp-up to full capacity over the 3rd and 4th quarters of 2020 and unit costs to decrease in line with increasing gold production. Therefore, it is anticipated that AISC will be closer to the top end of the guidance range in the 3rd quarter before falling toward the lower end of guidance in the 4th quarter, with further improvements expected in 2021.

On June 23, 2020, the Company provided a video press release announcing the commencement of the 2020 Exploration Program at Dublin Gulch. The 2020 Exploration Program will focus on the Nugget target which includes the Raven target. The 2020 Exploration Program is also expected to further test the Olive-Shamrock deposit and to test the Lynx Target for the first time within the framework of the Potato Hills Trend mineralization model.

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.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's condensed consolidated interim financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for the three and six month periods ended June 30, 2020, May 31, 2019 and 2018.

Selected Quarterly Information:

		June 30, 2020		May 31, 2019[1]		May 31,2018[1]
Total revenues	$	-	$	-	$	-
Net (income) loss – 3 months	$	12,865,589	$	(1,493,955)	$	4,258,619
Net (income) loss per share (3 months) – basic and diluted	$	0.214	$	(0.027)	$	0.098
Net (income) loss – 6 months	$	60,231,672	$	8,618,600	$	3,907,842
Net (income) loss per share (6 months) – basic and diluted	$	1.020	$	0.160	$	0.100
Total assets	$	738,505,090	$	638,297,848	$	331,373,709
Total non-current liabilities	$	336,765,315	$	254,076,125	$	15,662,743

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

RESULTS OF OPERATIONS

Three Month Period ended June 30, 2020

The Company reported a loss of $12.9 million ($0.214 per share) for the three month period ended June 30, 2020, compared to income of $1.5 million ($0.027 per share) for the three month period ended May 31, 2019. The net loss increase for the three month period ended June 30, 2020 is the result of changes in fair value derivative instruments, partially offset by gains in foreign exchange and changes in fair value of marketable securities.

VARIANCE ANALYSIS	3 MONTHS ENDED JUNE 30, 2020	3 MONTHS ENDED MAY 31, 2019	VARIANCE HIGHER (LOWER)
Operating expenses			
Salaries and benefits	**$ 876,543**	$ 780,951	**$ 95,592**
Office and administrative	**354,565**	354,699	**(134)**
Share-based payments	**-**	279,298	**(279,298)**
Marketing	**244,034**	274,849	**(30,815)**
Legal and accounting	**203,192**	60,410	**142,782**
Consulting	**431,438**	21,391	**410,047**
Amortization	**29,074**	29,500	**(426)**
Foreign exchange loss (gain)	**(11,647,678)**	3,448,432	**(15,096,110)**
	(9,508,832)	5,249,530	**(14,758,362)**
Finance costs (income)			
Unwinding of present value discount: ARO	**69,213**	43,940	**25,273**
Interest and bank charges	**27,368**	15,162	**12,206**
Interest income	**(52,022)**	(191,785)	**139,763**
Loss (gain) on fair value of marketable securities	**(2,684,553)**	33,609	**(2,718,162)**
Loss (gain) on fair value of derivative instruments	**25,088,589**	(2,305,805)	**27,394,394**
	22,448,595	(2,404,879)	**24,853,474**
Loss before taxes	**12,939,763**	2,844,651	**10,095,112**
Current income taxes	**-**	-	**-**
Deferred tax expense (recovery)	**(74,174)**	(4,338,606)	**4,264,432**
Net (income) loss	**12,865,589**	(1,493,955)	**14,359,544**

During the three month period ended June 30, 2020, the Company reported Salaries and benefits of $0.9 million versus $0.8 million for the previous year's comparable period. The increase is a result of adding personnel associated with operating activities at Eagle. Office and administrative along with marketing costs are consistent with prior year comparatives. Share-based payments were $0.3 million lower than the previous year due to the number, value and vesting schedule of employee option issuances. Legal and accounting ($0.1 million higher) and Consulting ($0.4 million higher) costs are higher due to increased usage. The Company reported a gain on foreign exchange during the three month period ended June 30, 2020 of $11.6 million compared to a loss of $3.4 million in the previous year due to increased US dollar debt balances and fluctuations in the Canadian dollar and US dollar exchange rate. During the three month period ended June 30, 2020, the Company reported a gain in the fair value of marketable securities of $2.7 million compared to a nominal loss in the previous year. During the three month period ended June 30, 2020, the Company reported a loss in the fair value of derivative instruments of $25.1 million compared to a gain of $2.3 million in the previous year. Due to a strengthening gold price, the zero-cost collar contributed a loss of $15.0 million and gold calls contributed a $0.8 million loss. Due to an increase in the share price over the period, the common stock purchase warrants had a $9.3 million loss for the three month period ended June 30, 2020. The decrease in interest income for the period is a result of lower returns earned on lower cash balances year over year.

Six Month Period ended June 30, 2020

The Company reported a loss of $60.2 million ($1.020 per share) for the six month period ended June 30, 2020, compared to a loss of $8.6 million ($0.160 per share) for the six month period ended May 31, 2019.

The net loss increase for the six month period ended June 30, 2020 is the result of changes in fair value of derivative instruments, increased foreign exchange losses, current and deferred taxes, partially offset by amounts received from a prior period sale and changes in fair value of marketable securities.

VARIANCE ANALYSIS	6 MONTHS ENDED JUNE 30, 2020	6 MONTHS ENDED MAY 31, 2019	VARIANCE HIGHER (LOWER)
Operating expenses			
Salaries and benefits	**$ 2,237,369**	$ 1,576,347	**$ 661,022**
Office and administrative	**852,086**	769,182	**82,904**
Share-based payments	**30,445**	658,506	**(628,061)**
Marketing	**437,585**	575,516	**(137,931)**
Legal and accounting	**420,832**	105,151	**315,681**
Consulting	**539,169**	61,135	**478,034**
Amortization	**58,148**	31,174	**26,974**
Foreign exchange loss	**13,555,805**	1,907,303	**11,648,502**
Other	**(6,721,000)**	-	**(6,721,000)**
	11,410,439	5,684,314	**5,726,125**
Finance costs (income)			
Unwinding of present value discount: ARO	**175,116**	67,348	**107,768**
Interest and bank charges	**43,692**	20,284	**23,408**
Interest income	**(144,542)**	(444,467)	**299,925**
Loss (gain) on fair value of marketable securities	**(2,315,455)**	31,209	**(2,346,664)**
Loss on fair value of derivative instruments	**47,907,086**	4,561,735	**43,345,351**
	45,665,897	4,236,109	**41,429,788**
Loss before taxes	**57,076,336**	9,920,423	**47,155,913**
Current income taxes	**1,634,488**	-	**1,634,488**
Deferred tax expense (recovery)	**1,520,848**	(1,301,823)	**2,822,671**
Net loss	**60,231,672**	8,618,600	**51,613,072**

During the six month period ended June 30, 2020, the Company reported Salaries and benefits of $2.2 million versus $1.6 million for the previous year's comparable period. The increase is a result of adding personnel associated with ramp up activities at Eagle. Office and administrative costs are $0.1 million higher than the prior year as a result of increased usage. Share-based payments were $0.6 million lower than the previous year due to the number, value and vesting schedule of employee option issuances. Marketing expenses ($0.1 million lower) fell from the prior year due to a decreased marketing program. Legal and accounting ($0.3 million higher) and Consulting ($0.5 million higher) costs are higher due to increased usage. The Company reported a loss on foreign exchange during the six month period ended June 30, 2020 of $13.6 million compared to a loss of $1.9 million in the previous year due to increased US dollar debt balances and fluctuations in the Canadian dollar and US dollar exchange rate. Other represents a $6.7 million gain for amounts received from a prior period sale. During the six month period ended June 30, 2020, the Company reported a gain in the fair value of marketable securities of $2.3 million compared to a nominal loss in the previous year. During the six month period ended June 30, 2020, the Company reported a loss in the fair value of derivative instruments of $47.9 million compared to a loss of $4.6 million in the previous year. Due to a strengthening gold price, the zero-cost collar contributed a loss of $35.8 million and gold calls contributed a $5.3 million loss. Due to an increase in the share price over the period, the common stock purchase warrants had a $6.8 million loss for the six month period ended June 30, 2020. The decrease in interest income for the period is a result of lower returns earned on lower cash balances year over year.

Total assets increased by $51.9 million from $686.6 million to $738.5 million during the period from January 1, 2020 to June 30, 2020. Current assets increased by $99.7 million (see "Liquidity and Capital Resources" herein), and Restricted cash increased by $1.5 million as a result of a newly structured reclamation bond program. Property, plant and equipment decreased by $50.3 million primarily due to the $82.5 million transfer from Eagle Mine / construction in progress to inventory. Exploration and evaluation assets increased by $1.0 million due to continued exploration and evaluation expenditures. Total liabilities, primarily accounts payable and accrued liabilities, derivative instruments and long-term debt increased $79.3 million due to US dollar debt translation, increased gold prices and continued construction and exploration and evaluation activities on the Dublin Gulch property.

Summary of Unaudited Quarterly Results:

	30 JUNE 20	31 MAR 20	31 DEC 19*	31 AUG 19(1)
Total Revenues	$ -	$ -	$ -	$ -
Loss (income)	$ 12,865,589	$ 47,366,083	$(10,134,475)	$ 21,463,642
Loss (income) per share – basic and diluted	$ 0.214	$ 0.819	$ (0.177)	$ 0.375
	31 MAY 19(1)	**28 FEB 19(1)**	**30 NOV 18(1)**	**31 AUG 18(1)**
Total Revenues	$ -	$ -	$ -	$ -
Loss (income)	$ (1,493,955)	$ 10,112,555	$ 3,288,606	$ (5,683,715)
Loss (income) per share – basic and diluted	$ (0.027)	$ 0.194	$ 0.063	$ (0.109)

**Quarter includes four months (September – December).*
(1) Per share data has been re-stated to reflect the share consolidation that was implemented on November 18, 2019.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, the Company had cash and cash equivalents of $30.4 million (ten month period ended December 31, 2019 - $16.9 million) and a working capital surplus of $10.7 million (ten month period ended December 31, 2019 – $54.7 million deficit). The increase in cash and cash equivalents of $13.5 million over the ten month period ended December 31, 2019, was due to the issuance of shares (see Financing Activities section herein) net of credit facility repayments ($22.1 million increase in cash), partially offset by investing activities ($8.6 million decrease in cash) from on-going construction of Eagle and exploration and evaluation of the Company's exploration and evaluation assets, net of amounts received from a prior period sale.

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 June 30, 2020. The amounts presented are based on the contractual undiscounted cash flows, these balances may not agree with the carrying amounts on the condensed consolidated interim statements of financial position:

	LESS THAN 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Non-derivatives:					
Accounts payable and accrued liabilities	$ 35,570,842	$ -	$ -	$ -	$ 35,570,842
Lease liability	736,688	586,269	476,846	685,354	2,485,157
Debt	49,911,379	105,361,635	185,711,184	-	340,984,198
Total	**86,218, 909**	**105,947,904**	**186,188,030**	**685,354**	**379,040,197**
Derivatives:					
Derivative instruments	27,414,590	23,828,008	22,656,780	-	73,899,378
Total	**27,414,590**	**23,828,008**	**22,656,780**	**-**	**73,899,378**

The Company's future is currently dependent upon the existence of economically recoverable mineral reserves and its ability to successfully complete ramp up production on time and on budget and to generate sufficient positive cashflows to continue to fund the repayment of current debt which is $49.9 million for the period July 1, 2020 to June 30, 2021. The Company periodically seeks financing to continue the exploration and evaluation of its exploration and evaluation assets, transition into commercial production and to meet its future administrative requirements. Although the Company has been successful in raising funds to date, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods. These material uncertainties lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern and therefore these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company is in the process of advancing its 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 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 six month period ended June 30, 2020, operating activities, including non-cash working capital changes, required funding of $0.7 million (as compared with the six months ended May 31, 2019 that provided funding of $3.0 million). The year over year decrease in cash used by operating activities is due to net adjusted operating results partially offset by a decrease in working capital changes.

RELATED PARTY TRANSACTIONS

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

Transactions as of June 30, 2020 and during the six months ended June 30 with Orion are included in *Note 11*.

The remuneration of directors and key management of the Company for the six month periods ended June 30, 2020 and May 31, 2019 was as follows:

	June 30, 2020	May 31, 2019
Salaries and other short term employment benefits	$ 2,146,355	$ 1,756,250
Share-based compensation	$ 42,789	$ 874,352

The Company granted unsecured loans in May 2018 which were subsequently amended, to directors and officers of the Company at interest rates of 2% per annum and payable in full on January 9, 2021.

	June 30, 2020	December 31, 2019
Outstanding, beginning of the period	$ 1,389,435	$ 1,366,948
Interest charged	13,472	22,487
Outstanding, end of the period	$ 1,402,907	$ 1,389,435

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of August 12, 2020, the number of issued common shares was 61,840,596 (65,088,702 on a fully diluted basis).

As at August 12, 2020, there were 1,577,440 director, employee and consultant stock options outstanding with an exercise price ranging from $2.25 to $8.05 per share and expiring between December 15, 2020 and December 9, 2022. This represents approximately 2.6% of the issued and outstanding common shares. As at August 12, 2020, 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 ten month period ended December 31, 2019 and Annual Information Form “AIF” dated April 17, 2020 which is available on SEDAR, special consideration should be given when evaluating trends, risk and uncertainties relating to the Company’s business.

Coronavirus ("COVID-19")

On March 11, 2020, the World Health Organization declared the rapidly spreading COVID-19 outbreak a global pandemic. This pandemic has had a significant impact on the global economy including that of Canada, where the Company operates, through restrictions put in place by the various levels of governments regarding travel, business operations and isolation orders to reduce the rate of spread of new infections. Victoria has been closely monitoring developments in the COVID-19 outbreak since January 2020 and has implemented preventative measures to ensure the safety of our workforce and local communities. To date, there have been no outbreaks of COVID-19 at our Eagle Gold Mine and there have been no significant disruptions to current operations.

Victoria continues to manage and respond to COVID-19 within the framework of its Pandemic Response Plan, along with recommendations of health authorities and local and national regulatory requirements. The Company has implemented business continuity measures in an effort to mitigate and minimize potential impacts of this pandemic.

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 includes reclamation bonds and a debt service account. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada, and interest bearing certificates of deposit held by Wells Fargo and Bank of Nova Scotia. An interest bearing debt service account is held with the Bank of Nova Scotia. Management does not believe 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 July 1, 2020 through September 30, 2020.

(c) Market risk

I. Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's investments and liabilities. The Company's cash balances are not subject to significant interest rate risk as balances are current. The Credit Facilities are subject to a variable LIBOR rate. Significant changes in the LIBOR rate could have a significant impact on the Company's loans payable balance in the condensed consolidated interim statements of financial position and interest capitalized in property, plant and equipment on the condensed consolidated interim statements of financial position.

II. Foreign currency risk

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

III. Price risk

The Company's financial assets and liabilities are exposed to price risk with respect to commodity prices and prices of the Company's equity investments. The price risk on equity investments is limited due to the nature and low balance of the

Company’s holdings. Commodity price risk refers to the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company entered into gold zero-cost collars (*Note 12*) under the Company’s hedging policy that was adopted by the Board and continues to monitor prices of precious minerals to determine the appropriate course of action to be taken.

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

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

CONTRACTUAL COMMITMENTS

The Company has no contractual commitments, other than leases of offices and equipment entered into in the normal course of business (*Note 10* of the accompanying condensed consolidated interim financial statements for the three and six month period ended June 30, 2020). All mineral property agreement commitments are at the option of the Company and the Company can terminate the agreements prior to being required to make payments on the properties.

FOREIGN CURRENCY TRANSLATION

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

OFF-BALANCE SHEET TRANSACTIONS

During the most recent six months ended June 30, 2020, and up to the date of this report, the Company had no off-balance sheet transactions.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING CHANGES

The Corporation’s unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The significant accounting policies applied and recent accounting pronouncements are described in (*Note 3*) of the Corporation’s consolidated financial statements for the ten month period ended December 31, 2019. There have been no changes from the accounting policies applied in the December 31, 2019 financial statements, except as disclosed in (*Note 3*) of the accompanying unaudited condensed consolidated interim financial statements for the three and six month period ended June 30, 2020.

The critical accounting estimates and judgements applied in the preparation of the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2020 are consistent with those applied and disclosed in the audited consolidated financial statements for the ten month period ended December 31, 2019, except as disclosed in (*Note* 4) of the accompanying unaudited condensed consolidated interim financial statements for the three and six month period ended June 30, 2020. For related details, please refer to the Company's consolidated financial statements, which are available on the Company's website and on SEDAR.

FINANCIAL INSTRUMENTS

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

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