

Potato Hills Press

EDITION 17 - SUMMER 2020



TSX : VGCX

A Year of Change MESSAGE FROM THE PRESIDENT

A lot has happened since we celebrated our first gold pour at the Eagle Gold Mine in September 2019. Since then we have ramped up mine operations and achieved commercial production on schedule on Canada Day, July 1, 2020.

This final milestone represents 11 years of hard work and dedication by our whole team of employees, partners, suppliers and contractors, many of which are Yukoners and citizens of the First Nation of Na-cho Nyak Dun. The Eagle Gold Mine is a major contributor to the Yukon economy now and into the future by providing jobs, and education and training opportunities right here in our own back yard.

In December 2019, we issued an updated Technical Report which increased the Eagle Gold Mine Reserve by 20% to 3.3 million ounces of gold.*

On February 19, 2020, Victoria Gold graduated to the Toronto Stock Exchange (TSX) and our stock symbol changed to VGCX. The up-listing to the TSX opens Victoria to a wider investor audience both domestically and internationally. Accordingly, we updated our logo and changed our website to VGCX.com.

In March, the COVID-19 pandemic emerged threatening the world population and economies. Victoria Gold, with the cooperation of our employees and contractors immediately adjusted our operations to meet or exceed the COVID-19 protocols set out by the Yukon Government and the territory's Chief Medical Officer, and will continue to do so for the health and safety of our workforce, remote local communities, in particular the Elders, and all Yukoners.

In June, we published a book: Dublin Gulch: A History of the Eagle Gold Mine, written by Yukon historian Michael Gates. This coffee table book is full of local history and photos about the century long quest to discover the motherlode leading to the development of the largest gold mine in Yukon history.

Once again, I thank you, our valued community members for supporting us on this journey to bring the Eagle Gold Mine into reality. Your continued support means the world to us.

Sincerely, John McConnell

*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 gram of gold per tonne, as outlined in a National Instrument 43-101 technical report for the Eagle gold mine dated Dec. 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 gram 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 gram of gold per tonne, containing 600,000 ounces of gold in the inferred category.

Eagle Gold Mine Declares Commercial Production

On July 1, 2020, the Eagle Gold Mine reached commercial production and the completion of all facilities required at this stage of the mine's life.

"Achievement of commercial production is a meaningful and memorable accomplishment that the entire team is proud to be part of. Special thanks goes to so many contributors, including the local communities and the First Nation of Na-cho Nyak Dun who have helped us make Eagle a reality."

Mining, crushing, processing and maintenance operations are performing at a high level. "Since restarting stacking mid-March, we have steadily seen an increase in monthly gold production", said John McConnell, President & CEO.

The Eagle Gold Mine celebrated its first gold pour on September 17, 2019, and since then has ramped up operations to commercial production. Ramp-up went as expected with all major equipment working well despite experiencing some minor and fixable issues as operations were fine-tuned. With the very low temperatures this past winter there was limited stacking on the heap leach facility between mid-December and mid-March, as was always planned.

**A YEAR TO THE DAY
VICTORIA GOLD FIRST
DELIVERED ORE TO THE
EAGLE GOLD MINE'S
HEAP LEACH PAD**

JUNE PRODUCTION	JUNE 2020	YTD
Hours without LTI (tonnes)	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 (gold grams per tonne)	0.97	0.86
Gold produced (ounces)	13,828	38,896

/ Inset photo: First pour gold doré bar- 1001 oz worth approximately \$2 million.



Responding to COVID-19

"The health and safety of our employees, contractors, NND citizens and the traditional territory within which we operate is the most important aspect of our business. Along with our unwavering commitment to health and safety, Victoria is firmly dedicated to contributing to the financial security and wellbeing of our employees, local communities and Yukoners through the ongoing operation of the Eagle Gold Mine."

Victoria's COVID-19 Action Plan continues to be modified and updated as the situation evolves and continues to meet or exceed regulations and guidelines established and communicated by the Yukon's Chief Medical Officer of Health.



Victoria Gold contracted a group of Mayo sewers, led by Dorothy Profeit, to produce 300 face masks to help protect Victoria's employees and contractors.

When the COVID-19 pandemic world lockdown began in mid-March, Victoria Gold immediately began working with government officials to institute measures to ensure that the mine could continue operations.

Some of the measures include:

- Immediately instituted a 4-week in, 4-week out crew rotation schedule to minimize travel;
- All travel to and from Eagle by private charter transportation, instead of scheduled service;
- All those from outside Yukon to self-isolate in Whitehorse 2 weeks prior to going to site. This is now not required by BC residents, but continues for all other jurisdictions;
- All employees and contractors travelling to Eagle to complete flight pre-screening by a third party professional occupational health and safety services provider;

- Restricted and controlled access for all Victoria employees and contractors to all Yukon communities, including Mayo;
- Social distancing measures at site including staggered meal times and social distancing in the cafeteria;
- Established an isolation base in case someone does test positive.

Victoria was pleased to provide 150 reusable plates and 80 soup cups to the First Nation of Na-cho Nyak Dun's (NND) Meals on Wheels program to support NND Elders and vulnerable citizens residing in Mayo during the COVID-19 lock-down.



Staff proudly wearing their masks crafted by Mayo sewers. Back row L-R: Nico Harvey, John Hosie, Katie Babin, Jeff Lane, Joel Fraser. Front row L-R: Victor Boehm, Kate Titterington.



View our newest animation "Mine to Mint" available on our website homepage at vgcx.com



Dublin Gulch: A History of the Eagle Gold Mine, by Michael Gates

Yukon historian Michael Gates, unearths the rich origin story of the Eagle Mine, the largest gold mine ever to operate in Yukon Territory.

Available in book stores, amazon.ca and Mayo Bigway. Proceeds of books sales at Mayo Bigway go directly to supporting Every Student, Every Day student attendance initiatives in Mayo.

Check out the series of Book Launch videos at www.VGCX.com.

Proposed extension

Victoria's exploration and development teams continue to assess the many mineral occurrences on the Dublin Gulch claim block. Excitingly, and as detailed in our recent technical report, the economic potential of the Olive deposit, and refinements to the operations at Eagle, have shown the potential that warrants advancement to the next step. In the coming months, a Project Proposal will be submitted to the Yukon Environmental and Socio-economic Assessment Board relating to the Eagle Extension Project. The proposed extension includes:

Increased production rate (29,300 tpd to 34,000 tpd)

- Olive pit
- Year round ore stacking

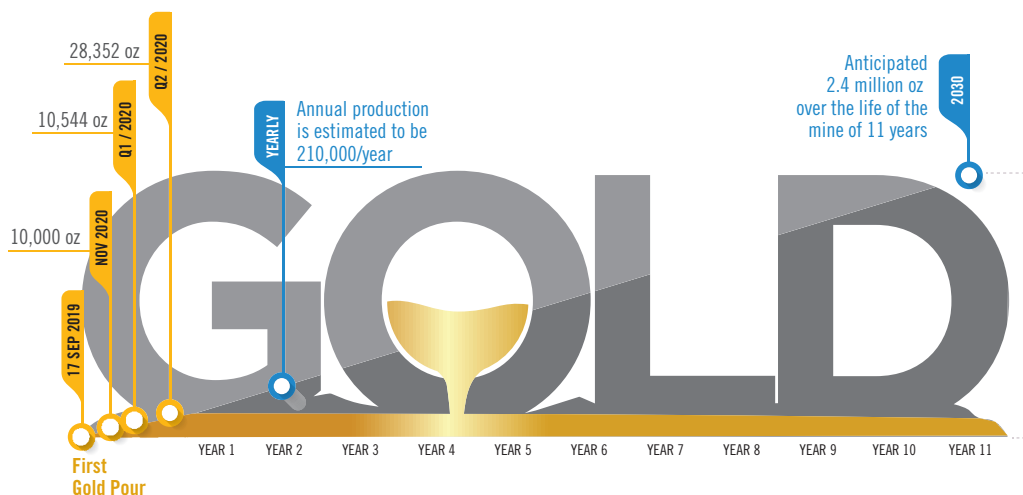
Additional/extension of waste rock storage areas (WRSA)

- Stewart Gulch WRSA (adjacent to Eagle Pup WRSA)
- Backfill portion of Olive pits with waste rock

Construction of second heap leach facility

- Bawn Boy HLF – Location assessed in 90s by prior operators

Gold Production



Community Update

Victoria continues to try to find ways to support the community to deal with the adjustments necessary brought on by the COVID-19 pandemic. In addition to the COVID-19 protocols that were put in place at the Eagle Gold Mine, we have also:

- donated \$100,000 to the Food Bank Society of Whitehorse for distribution to all Yukon communities;
- contracted a group of Mayo sewers, led by Dorothy Profeit, to sew 300 face masks for staff and contractors' use at the Eagle Gold Mine;
- donated re-usable plates, cups and cutlery to include in the First Nation of Na-Cho Nyak Dun Meals on Wheels program;
- restricted and controlled access for all Victoria employees and contractors to all Yukon communities, including Mayo.

Also, over the past year Victoria continued with the following initiatives:

- implementing commitments set out in the Comprehensive Cooperation and Benefits Agreement (CBA) with the First Nation of Na-cho Nyak Dun (NND);

- working with NND businesses and Na-cho Nyak Dun Development Corp. (NNDDC) on potential business opportunities;
- supporting community events;
- updating Victoria's cultural awareness presentation.

Michelle Dawson-Beattie, Community Liaison, is Victoria's company representative on the Yukon Women in Mining Board of Directors and the Yukon Mineral Sector Diversity & Inclusion Working Group. The Group's goal is to promote the ongoing advancement of a diverse, inclusive, respectful and progressive mining industry that supports health and prosperity in Yukon communities.



Victoria donated funds to the Food Bank Society of Whitehorse

Community Involvement

Throughout 2019 and to date, Victoria was actively engaged in the wellbeing of both community residents and all Yukoners and proudly supported the following initiatives in the territory.

Aboriginal Peoples Television Network
Indigenous Day Live- \$25,000

Annual Yukon Geoscience Forum & Trade Show Banquet
Proceeds to the Yukon Imagination Library- \$1,250

Cheryl Klippert (Village of Mayo)
Klondike Road Relay- \$750

Copperbelt Classic Society –Charity Golf Tournament
Proceeds to the Yukon T1D Support Network- \$1,000

First Nation of Na-Cho Nyak Dun
Industry Day- \$1,000

Food Bank Society of Whitehorse
Covid-19 Relief – \$100,000

Keno City Centennial Celebration- \$500

Klondike Placer Miners' Association
Annual BBQ – Entertainment- \$5,000

Larrikin Entertainment- \$1,000

Northwestel Festival of Trees
Alkan Air Grand Ball- \$5,000

Victoria Golf Tournament
Proceeds to *Every Student, Every Day*- \$25,000

Village of Carmacks
35th Anniversary Celebration- \$500

Village of Mayo
Association of Yukon Communities Annual General Meeting- \$300

Village of Mayo Volunteer Fire Department
Fireman's Ball- \$1,000

Yukon College – Mayo Campus
Christmas Hampers- \$500

Yukon Firefit
Multi-year Sponsorship- \$10,000

Yukon First Nations Chamber of Commerce
Christmas Open House- \$500

Yukon First Nations Chamber of Commerce
Arctic Indigenous Investment Conference – \$10,000

Yukon First Nations Hockey Association
Yukon Native Hockey Tournament- \$10,000

Yukon Women in Mining (YWIM)
Yukon Mining Days – two events. \$8,000

Yukon Writing with Light Society
First Light Image Festival- \$1,500

Carmacks for Yukon Mining Day also Orange Shirt Day which honors and remembers those who went to residential schools



Victoria / First Nation of Na-cho Nyak Dun (NND) CBA Scholarship program recipients:

FALL 2019

Viktoria Skaper – Arts & Social Sciences with English Major, Simon Fraser

Teresa Samson – BA in Indigenous Governance Program, Yukon College

FALL 2019 AND WINTER 2020

Jana Modras – Business Management, University of BC

Lauren Wallingham – Governance & Entrepreneurship in Northern and Indigenous Areas Program, University of Saskatchewan

Gavin Winter-Sinnott – Renewable Resource Management, Yukon College

Cathy Rear – Health Care Assistance Program, Yukon College

WINTER 2020

Alison Hill – Journalism Program, Southern Alberta Institute of Technology

Carolene Lucas – Esthetics Program, Vancouver Community College

Devon Saggars – Office Admin./ Accounting Clerk Stream Program, Yukon College

Asia Winter-Sinnott – BA in Native Studies/BEd in Secondary Education University of Alberta

Since the inception of the Victoria NND Scholarship Program and including the Winter 2020 recipients, \$105,000 has been awarded to 105 NND students attending university, college or trades and technical courses.

Every Student, Every Day

Society Distributes \$150,000 to 24 Yukon Projects

The Victoria Gold Yukon Student Encouragement Society's *Every Student, Every Day* fund, is proud to award \$150,000 to directly support 24 schools and First Nations-created projects to address student attendance barriers in the territory.

The funds were raised at two fundraising events in 2019 – The Victoria Gold 2nd Annual Golf Tournament, held at Meadow Lakes Golf Course, and our annual Gala held on October 5th in Whitehorse. The two events combined with sponsorships from our community champions raised over \$120,000.

The Government of Yukon increased its annual contribution to *Every Student, Every Day* from \$25,000 to \$30,000 which paired with the \$120,000 provided \$150,000 for distribution for the 2020/2021 community programs.

To date, since its establishment in 2012, *Every Student, Every Day* has directly supported a total of 114 such projects with over \$800,000

to help improve student attendance in all Yukon communities.

"Today, more than ever, we need to encourage our students and school communities with a flexible approach that supports re-entry into the classroom and the return to attending school each and every day this coming August," says Victoria Gold Yukon Student Encouragement Society President Tara Christie.

"We're very proud of the opportunities and benefits the Eagle Gold Mine is providing Yukon residents and communities and of *Every Student, Every Day's* tremendous efforts and commitment to help students be prepared to embark on a rewarding career path of their choice."

Every Student, Every Day is a registered, not-for-profit charity of Victoria Gold Corp. To learn more about the projects that received funding and about the Society's work, visit www.EveryStudentEveryDay.ca

Revegetation Program Updates

After Victoria completed the majority of construction at the Eagle Gold Mine site in the summer of 2019, many of the engineered structures and buildings required slopes to be cleared, built up, and contoured, leaving areas of exposed ground material. Thus, efforts were undertaken throughout 2019 and 2020 to design and implement erosion control measures using revegetation and bioengineering techniques that would act as interim methods to control potential erosion and inform final reclamation decisions with respect to appropriate seed mixes and revegetation methods.

In the fall of 2019, the areas identified for revegetation were prepared by roughing up the ground in order to hold seeds, followed by installation of live willow stakes, jute fiber mats and bioengineered structures like live pole drains and wattle fences. Seeds native to the area were sourced and planted to ensure invasive species were not introduced to the Project site. Efforts in the early summer of 2020 included completion of willow staking in areas that were not completed in 2019, with further seeding and willow stake installation planned for the fall of 2020.

Victoria would like to thank all participants in the 2019 reclamation efforts including the First Nation of Na-Cho Nyak Dun, Laberge Environmental Services, Floratek Consulting, and the Yukon College Environmental Monitoring Certification Program.



/ Control Pond jute fibre installation and seeding 2019



/ Control Pond jute fibre and seed growth in 2020

Exploration Update

In 2019, Victoria conducted a focused \$2 million mineral exploration program on the Dublin Gulch and Hawk Properties while Eagle Gold Mine construction, commissioning and production activities progressed.

The summer 2019 exploration campaign was focused on the Raven showing at the Nugget Zone, (part of the Dublin Gulch Property) and consisted of 1,617 metres of diamond drilling, 5,400 metres surface trenches, and over 3,900 soil geochemical samples coupled with detailed geological mapping. In addition, a small soils and geological assessment program was conducted at the Hawk property, 20km north of Dublin Gulch.

Based on the strength of the 2019 Raven results, 2020 will see a much larger (\$5 million budget) targeted exploration program at Nugget and Raven as well as the Lynx zones and additional generative regional work. As of July 1, 2020 the exploration season is underway and activities are proceeding well.

The 2020 exploration crew is made up a combination of Victoria geologists, Yukon First Nations and NND Development Corp. contractors as well as local Mayo employees – with Yukoners, First Nations and NND citizens comprising over 50% of the crew.

2019 was a momentous year for Victoria and the Eagle Gold Mine as the company advanced the mine to operations over the summer and executed its first gold pour and this achievement was bolstered by the exploration success at Raven. Victoria's exploration team looks forward to another busy and production season in 2020.



/ Exploration Drilling at Raven – July, 2020

Team Building

Recruitment and staffing proved to be challenging in the midst of the COVID-19 pandemic. In March 2020, the Government of Yukon restricted entry to the Yukon and closed borders to non-essential travel and imposed a mandatory 14-day isolation period on all non-residents entering the territory. As of June 2020, thirty-two (32) employees have taken a temporary leave of absence due to the impact of the travel restrictions.

Although the pandemic created these challenges we continue to grow and recruit for operations and administrative positions. As of June 2020, we have hired 313 site-based employees, of which 54% are Yukoners and 10 of those are First Nation of Na-cho Nyak Dun citizens. Victoria's Eagle

Gold Mine has generated much interest and we commit to provide meaningful jobs for Yukoners.

Victoria strives to promote women in mining and currently women comprise 17% of on-site positions across all departments. We strive to achieve the most qualified people for the positions available, while upholding our commitment to the communities ensuring that staff chosen are the "closest fit" to the selection criteria for the position and that each person will fit with our culture of safety first.

Student employment initiatives will be implemented this summer as we strive to support Yukon students in fulfilling their educational goals.

TEAM MEMBERS:

DEPARTMENT	JUN 2020
Mining	89
Maintenance	56
Technical Services	14
Health, Safety, Security	6
Supply Chain	9
Process	76
Human Resources	5
Site Services	34
Environmental	7
Information Technology	4
Administration	13
Total Team Members	313

VANCOUVER OFFICE

WHITEHORSE OFFICE