

Recommendation: **Buy**  
 Target Price: **C\$17.00**

## Victoria Gold Corporation

(VGCX - TSX)

### Eagle Extended Along Strike

Unless otherwise denoted, all figures shown in US\$

Current Price	C\$7.50	Shares Outstanding (MM)	
52 Wk High	C\$19.13	Basic	64.5
52 Wk Low	C\$7.34	Diluted	67.7
Cash (MM)	C\$29.1	Mgmt and Dir	1.9
Debt (MM)	C\$224.5	Mkt Cap. (MM)	C\$483.4
NAV	C\$15.00	EV (MM)	C\$678.8
P/NAV	0.50x	Reserves	3.3MMoz
NAV (spot)	C\$15.20	Total Resource	5.3MMoz
P/NAV (spot)	0.49x		
Total Return	127%		

Fiscal YE Dec 31		2020A	2021A	2022E
Prod'n (000oz)	Q1	10.6	26.8	24.4A
	Q2	28.3	32.1	32.1A
	Q3	35.3	55.8	54.1
	Q4	42.4	49.5	55.0
	FY	116.6	164.2	165.5
Cash Cost (\$/oz)		\$789	\$725	\$941
AISC (\$/oz)		\$1,209	\$1,193	\$1,425
Adj. EPS	Q1	C\$0.01	C\$0.15	C\$0.23A
	Q2	C\$0.01	C\$0.12	C\$0.18A
	Q3	C\$0.39	C\$0.53	C\$0.26
	Q4	C\$0.49	C\$0.70	C\$0.27
	FY	C\$0.92	C\$1.51	C\$0.94
P/E		8.2x	5.0x	7.9x
Adj. CFPS	Q1	C\$(0.04)	C\$0.52	C\$0.58A
	Q2	C\$(0.04)	C\$0.49	C\$0.57A
	Q3	C\$0.50	C\$1.05	C\$0.63
	Q4	C\$0.79	C\$0.93	C\$0.64
	FY	C\$1.24	C\$3.00	C\$2.42
P/CF		6.0x	2.5x	3.1x
FCF (MM)		C\$19.7	C\$24.1	C\$(18.1)
FCF Yield		4.1%	5.0%	-

NAV: Cormark deck is \$1,700/oz; spot gold is \$1,717/oz

#### Company Description:

Victoria Gold is a single asset producer that operates the 100%-owned Eagle Gold Mine in the Yukon. Eagle poured its first gold in Q3/19 and achieved commercial production on July 1, 2020.

#### Event:

Eagle drill results

#### Impact:

Positive

#### Commentary:

Victoria released drill results from the 2022 exploration program at Eagle, which ran from December 2021 through May 2022. Highlights from the program (23 holes for 10,342 m) include:

- DG22-1006C: **301.0 m at 0.52 g/t Au** from 102.0 m including 69.5 m at 0.72 g/t Au from 244.0 m
- DG22-1013C: **215.0 m at 0.60 g/t Au** from 206.5 m including 51.0 m at 0.88 g/t Au from 355.5 m
- DG22-1017C: **72.3 m at 1.14 g/t Au** from surface including 32.7 m at 2.24 g/t Au from 50.3 m
- DG22-1023C: **240.3 m at 0.63 g/t Au** from 254.0 m including 78.0 m at 1.29 g/t Au from 284.0 m

This program focused on key areas for potential expansion of the Eagle deposit, particularly to the west of the existing pit, and the drilling targeted a previously undrilled area between the Eagle orebody and Eagle Extension. All mineralized zones are associated with the host lithology of the Eagle Gold Mine (the Cretaceous granodiorites of the Tombstone Suite Intrusion), and these drill results are expected to be included in an updated Eagle resource in Q1/23.

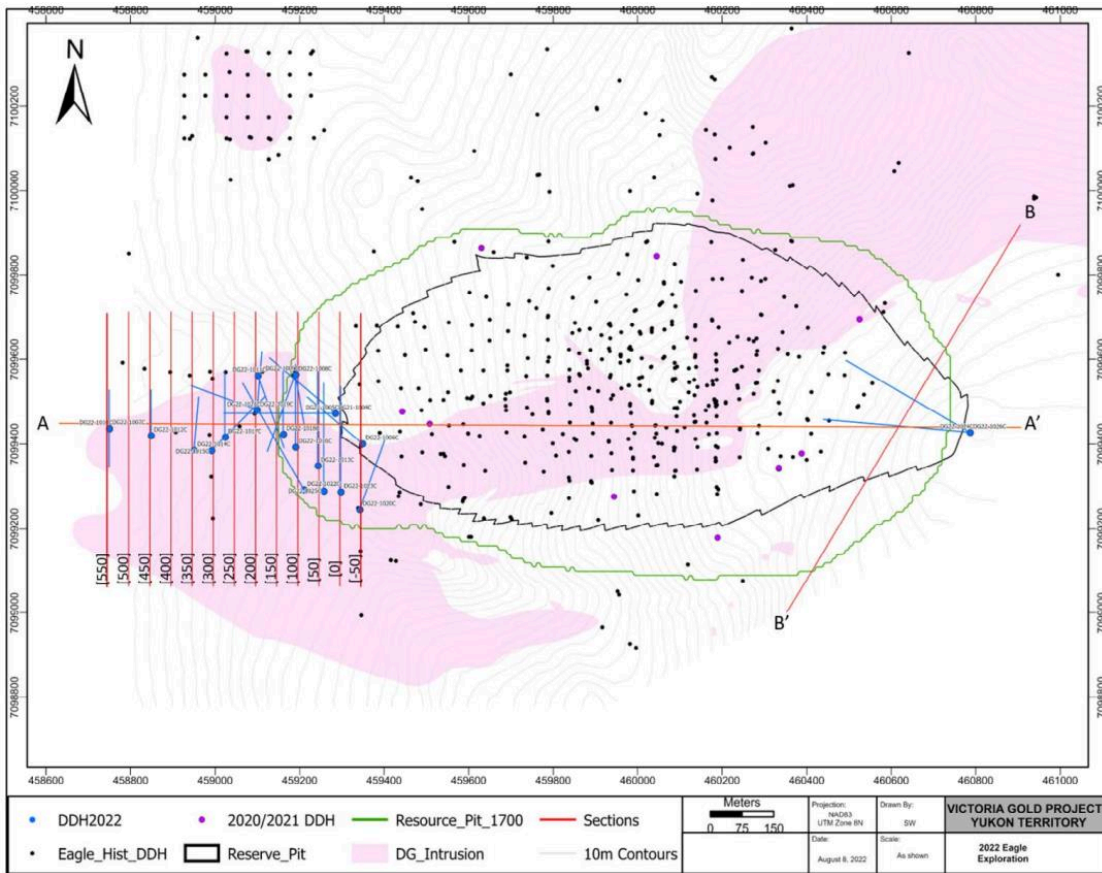
The thick intervals of continuous Eagle-style gold mineralization along strike (east and particularly west) of the Eagle deposit have added over 500 m of mineralized strike length from the Eagle Reserve pit boundaries. In addition, this drilling confirmed high-grade gold mineralization lies beneath the reserve pit.

We believe the Eagle deposit is destined to grow with the upcoming resource in Q1/23, and once we factor in the exploration upside at targets including Lynx and Raven, it points to something much larger on the Dublin Gulch land package than is currently envisioned in the 2019 Technical Report.

#### Investment Conclusion:

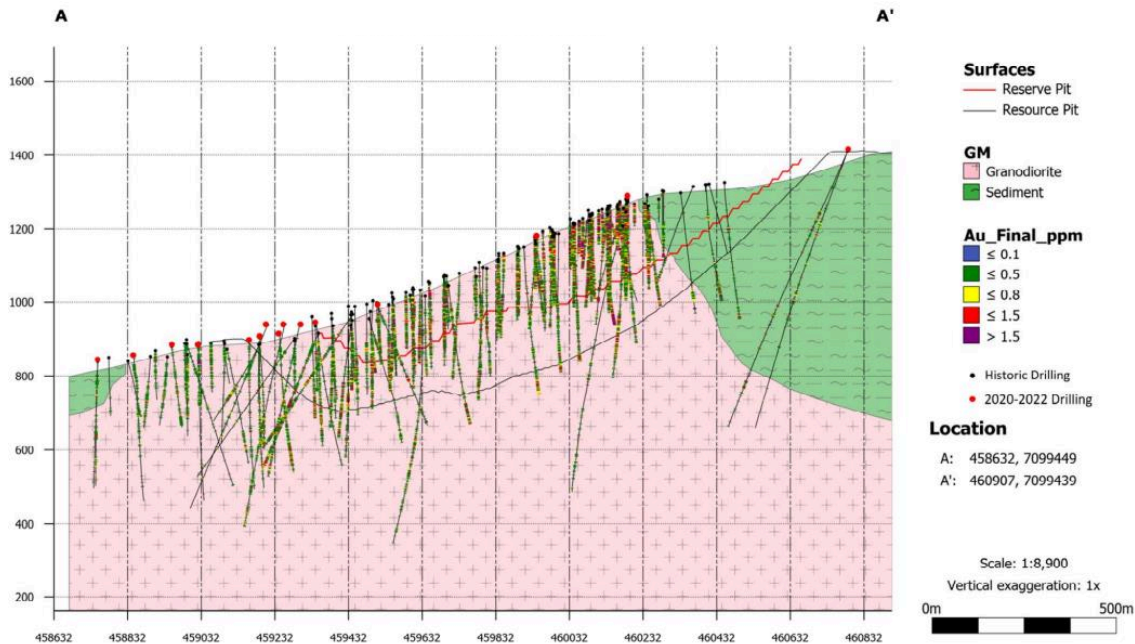
With the stock trading at just 0.50x NAV (at \$1,700/oz), we believe this is an attractive valuation for a single asset producer in a Tier 1 jurisdiction with a significant increase in production on tap for H2/22.

Figure 1: Eagle Plan View



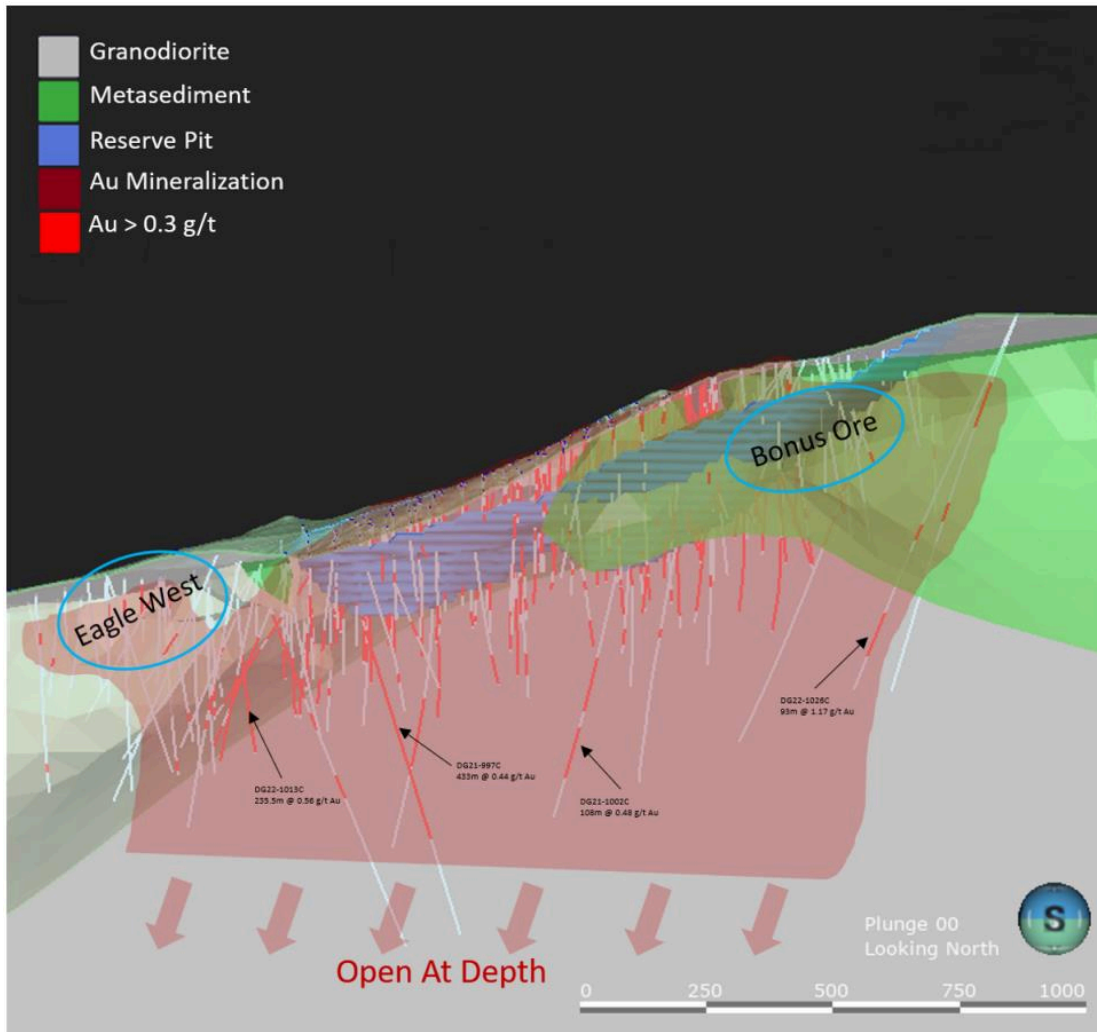
Source: Victoria Gold Corp.

Figure 2: Eagle Long Section



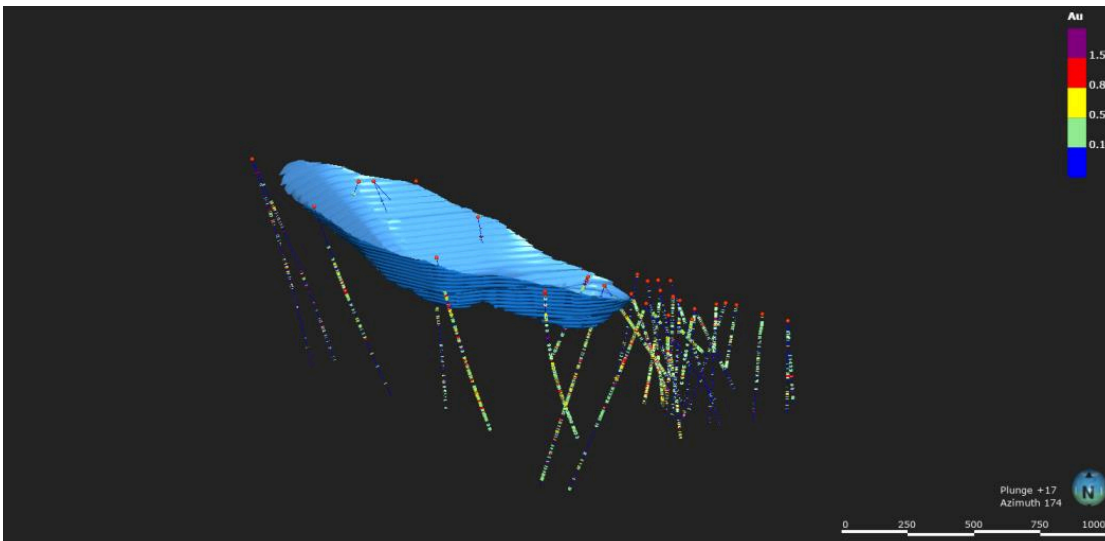
Source: Victoria Gold Corp.

**Figure 3: Eagle Long Section**



Source: Victoria Gold Corp.

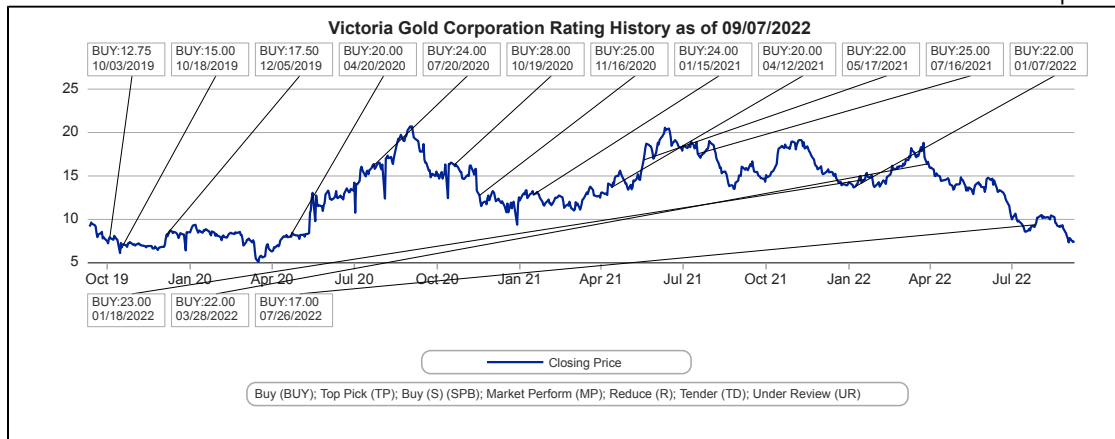
**Figure 4: Eagle Deposit Looking Southeast**



Source: Victoria Gold Corp.

**Price Chart and Disclosure Statement**

\*Information updated monthly on or about the 5th of each month



\* Cormark has this percentage of its universe assigned as the following:

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Market Perform	11%
Reduce or Tender	4%
Not Rated	0%

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**Market Perform** expected to perform with its peer group

**Reduce** expected to underperform its peer group

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