

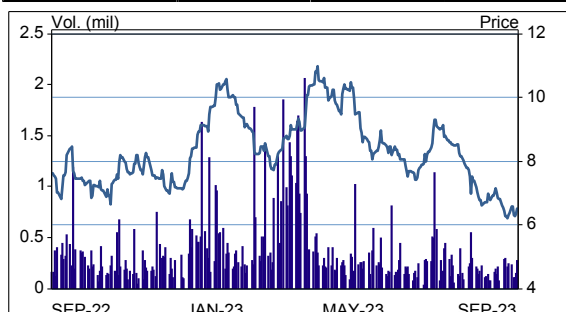
**Victoria Gold Corp. (VGCX.TO)**  
**Rating: Buy**

Heiko F. Ihle, CFA  
212-356-0510  
[hihle@hwcwresearch.com](mailto:hihle@hwcwresearch.com)

Marcus Giannini  
212-916-3978  
[mgiannini@hwcwresearch.com](mailto:mgiannini@hwcwresearch.com)

## Acquisition of Brewery Creek and Other Exploration Assets; Project Highlights and Transaction Details; Reiterate Buy

Stock Data		09/15/2023	
Price		C\$6.52	
Price Target		C\$24.00	
52-Week High		C\$11.16	
52-Week Low		C\$6.08	
Enterprise Value (M)		C\$740	
Market Cap (M)		C\$434	
Shares Outstanding (M)		66.5	
3 Month Avg Volume		235,655	
Short Interest (M)		0.07	
Balance Sheet Metrics			
Cash (M)		C\$39.36	
Total Debt (M)		C\$260.45	
Total Cash/Share		C\$0.59	
Cash (M): Includes marketable securities.			
EPS (C\$) Diluted			
Full Year - Dec	2021A	2022A	2023E
FY	1.68	0.54	0.76
Revenue (C\$M)			
Full Year - Dec	2021A	2022A	2023E
FY	C\$356.5	C\$321.8	C\$423.1



**Acquisition of Sabre Gold's (SGLD.TO; not rated) Yukon assets.** On September 14, Victoria Gold announced the acquisition of Sabre Gold's wholly-owned Yukon subsidiary, Golden Predator Mining Corp. In turn, Victoria has now gained ownership of the Brewery Creek property, as well as the Gold Dome and Grew Creek exploration projects. Looking ahead, we believe Victoria has meaningful synergies with Brewery Creek as the asset is located just 120 kilometers west of the Eagle Gold Mine.

**Highlights of the Brewery Creek project.** Importantly, Brewery Creek currently maintains a Mineral Resource Estimate of 34.5M tonnes in the Measured and Indicated category that contains an average grade of 1.03 grams per tonne. Current studies estimate 1.14M ounces (oz) of gold in this category, in addition to 1.02Moz of gold in the Inferred category. Additionally, we highlight the project's after-tax NPV<sub>5</sub> of \$112M that is combined with an after-tax IRR of 27.6% when considering a conservative \$1,700/oz gold price. Finally, we believe that significant cost synergies remain likely given Victoria's existing mining operations, while initial capital costs are currently estimated to be just \$105M.

**Transaction details.** Terms of the aforementioned acquisition for Golden Predator call for a total payment of C\$13.5M, which consists of an initial C\$1.5M cash portion, as well as C\$7.0M in cash or Victoria shares upon closing. An additional C\$0.5M in cash, plus \$2.5M in cash or shares, is payable on the 12-month anniversary of the closing. Victoria also owes an additional cash or share component of C\$1.5M upon this two-year milestone. Finally, we emphasize that Victoria also expects to benefit from certain tax-related synergies as Golden Predator has previously reported non-capital losses of C\$44.0M.

**We are reiterating our Buy recommendation on Victoria Gold and our PT of C\$24.** Our valuation for the company remains based on a DCF of Victoria Gold's Eagle Gold Mine, to which we assign an unchanged 9.0% discount rate. This yields a project NAV of roughly C\$1.60B, or C\$23.45 per share. We then add a further C\$36.6M for resource and exploration upside that accounts for Raven and Brewery Creek. Finally, we account for the company's cash and marketable securities of C\$39.4M, coupled with about C\$228.4M in inventories, while subtracting the firm's debt. We then round this figure to the nearest C\$1.00 for our final price target of C\$24.00 per share.

**Focus and potential catalysts for Brewery Creek.** Importantly, Sabre Gold previously re-commenced its permitting process at Brewery Creek in June 2022, while the firm intended to bring the asset back online. In turn, we believe Victoria Gold remains well-positioned to continue the permitting process at site in an expedited manner. We stress that Brewery Creek was once in production and fully permitted. Further, we highlight that past statements from the Tr'ondëk Hwëch'in First Nation group have been highly supportive of an operational restart at Brewery Creek, which should prove to be beneficial when navigating the permitting process at site.

**Risks.** Gold price risks; operating and technical risks; and financial risks.



Eagle Gold Mine	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
All relevant figures in USD and 000's unless specified.	Note: Modeled production extends out to 2036 but years after 2031 are not shown.								
Tonnes processed	9,254	12,000	13,700	14,000	14,000	14,200	12,700	12,600	12,700
Mill head grade (gpt)	0.78	0.70	0.70	0.70	0.58	0.55	0.50	0.56	0.50
Gold recovery	75%	75%	77%	77%	77%	77%	77%	77%	77%
Annual gold production	168.2	202.5	237.4	242.6	201.0	193.3	157.2	174.7	157.2
Gold Price (USD)	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Total revenue	\$ 319,650	\$ 384,836	\$ 451,070	\$ 460,947	\$ 381,928	\$ 367,347	\$ 298,675	\$ 331,882	\$ 298,675
Cash costs per ounce of gold	\$ 1,192	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Total operating costs	\$ 200,538	\$ 151,909	\$ 178,054	\$ 181,953	\$ 150,761	\$ 145,005	\$ 117,898	\$ 131,006	\$ 117,898
Gross profit	\$ 119,112	\$ 232,927	\$ 273,016	\$ 278,994	\$ 231,167	\$ 222,342	\$ 180,777	\$ 200,876	\$ 180,777
Sustaining capital and CapEx	\$ (80,000)	\$ (33,000)	\$ (22,000)	\$ (22,000)	\$ (22,000)	\$ (22,000)	\$ (22,000)	\$ (22,000)	\$ (22,000)
(Tax) / Tax Benefit (\$000s)	\$ (6,638)	\$ (19,970)	\$ (24,109)	\$ (53,163)	\$ (43,269)	\$ (41,443)	\$ (32,845)	\$ (37,003)	\$ (32,845)
Operating cash flow	\$ 32,474	\$ 179,957	\$ 226,907	\$ 203,832	\$ 165,898	\$ 158,898	\$ 125,932	\$ 141,873	\$ 125,932
Discount rate 9.0%									
PV of operating cash flow	\$ 32,474	\$ 165,098	\$ 190,983	\$ 157,395	\$ 117,526	\$ 103,273	\$ 75,089	\$ 77,609	\$ 63,201
Total current cash flow (CAD)	\$ 1,599,540	\$ 23.45	per share						
Exploration assets (CAD)	\$ 36,594	\$ 0.54	per share						
Cash and cash equivalents + Marketable Securities (CAD)	\$ 39,358	\$ 0.58	per share As of 6/30/23						
Inventory (CAD)	\$ 228,360	\$ 3.35	per share As of 6/30/23		CAD/USD		0.7388 As of 9/15/23		
Debt (CAD)	\$ (260,446)	\$ (3.82)	per share As of 6/30/23						
Total Company NAV (CAD)	\$ 1,643,406								
Fully diluted shares	68,207	As of 8/9/23							
Victoria Gold share price (VGCX.TO) (CAD)	\$ 6.52	As of 9/15/23		Discount to PT		73%			
Project NAV per share (CAD)	\$ 24.09								
Rounded Price Target (CAD)	\$ 24.00								

Source: H.C. Wainwright &amp; Co. estimates; company reports.

## Important Disclaimers

This material is confidential and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply to [unsubscribe@hwcwresearch.com](mailto:unsubscribe@hwcwresearch.com) and delete it from your system; you may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.

**H.C. WAINWRIGHT & CO, LLC RATING SYSTEM:** H.C. Wainwright employs a three tier rating system for evaluating both the potential return and risk associated with owning common equity shares of rated firms. The expected return of any given equity is measured on a RELATIVE basis of other companies in the same sector. The price objective is calculated to estimate the potential movements in price that a given equity could reach provided certain targets are met over a defined time horizon. Price objectives are subject to external factors including industry events and market volatility.

## RETURN ASSESSMENT

**Market Outperform (Buy):** The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

**Market Perform (Neutral):** The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

**Market Underperform (Sell):** The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Investment Banking Services include, but are not limited to, acting as a manager/co-manager in the underwriting or placement of securities, acting as financial advisor, and/or providing corporate finance or capital markets-related services to a company or one of its affiliates or subsidiaries within the past 12 months.

Distribution of Ratings Table as of September 15, 2023				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	560	88.61%	144	25.71%
Neutral	63	9.97%	13	20.63%
Sell	0	0.00%	0	0.00%
Under Review	9	1.42%	3	33.33%

H.C. Wainwright & Co, LLC (the "Firm") is a member of FINRA and SIPC and a registered U.S. Broker-Dealer.

I, Heiko F. Ihle, CFA and Marcus Giannini, certify that 1) all of the views expressed in this report accurately reflect my personal views about any and all subject securities or issuers discussed; and 2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report; and 3) neither myself nor any members of my household is an officer, director or advisory board member of these companies.

None of the research analysts or the research analyst's household has a financial interest in the securities of Victoria Gold Corp. (including, without limitation, any option, right, warrant, future, long or short position).

As of August 31, 2023 neither the Firm nor its affiliates beneficially own 1% or more of any class of common equity securities of Victoria Gold Corp..

Neither the research analyst nor the Firm knows or has reason to know of any other material conflict of interest at the time of publication of this research report.

The research analyst principally responsible for preparation of the report does not receive compensation that is based upon any specific investment banking services or transaction but is compensated based on factors including total revenue and profitability of the Firm, a substantial portion of which is derived from investment banking services.

The firm or its affiliates received compensation from Victoria Gold Corp. for non-investment banking services in the previous 12 months.

The Firm or its affiliates did not receive compensation from Victoria Gold Corp. for investment banking services within twelve months before, but will seek compensation from the companies mentioned in this report for investment banking services within three months following publication of the research report.

The Firm does not make a market in Victoria Gold Corp. as of the date of this research report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Past performance is no guarantee of future results. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. This research report is not intended to provide tax advice or to be used to provide tax advice to any person. Electronic versions of H.C. Wainwright & Co., LLC research reports are made available to all clients simultaneously. No part of this report may be reproduced in any form without the expressed permission of H.C. Wainwright & Co., LLC. Additional information available upon request.

H.C. Wainwright & Co., LLC does not provide individually tailored investment advice in research reports. This research report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this research report.

H.C. Wainwright & Co., LLC's and its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this research report.

H.C. Wainwright & Co., LLC and its affiliates, officers, directors, and employees, excluding its analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this research report.

The information contained herein is based on sources which we believe to be reliable but is not guaranteed by us as being accurate and does not purport to be a complete statement or summary of the available data on the company, industry or security discussed in the report. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Securities and other financial instruments discussed in this research report: may lose value; are not insured by the Federal Deposit Insurance Corporation; and are subject to investment risks, including possible loss of the principal amount invested.