



## Victoria Gold

VGCX-TSX

 Rating  
**Outperform**

 Price: Jan-18  
**\$8.93**

 Target  
**\$15.00**

 Total Rtn  
**68%**

## Extension Drilling at Raven Yields Strong Results

### Bottom Line:

Victoria Gold released assays from drilling at the Raven deposit, which included a highlight of 3.59g/t over 83.5m. The results are part of the distal exploration program that seeks to identify extensions to the Raven mineralization in step-out holes. Raven was the main exploration focus for Victoria Gold in 2022, seeing over 25,000m of exploration drilling. A resource update at Raven is expected later this year.

### Key Points

**Strong results from Raven drilling were headlined by 3.59g/t over 83.5m.** The drilling was conducted as part of the distal exploration program at Raven that seeks to extend mineralization beyond the existing deposit by drilling large step-out holes. Other intercepts included 1.98g/t over 14.2m, 1.15g/t over 25.7m, and 0.65g/t over 105.5m.

**The Raven deposit saw a large uptick in exploration activity in 2022,** with more holes drilled during the year than all other years combined. 90 holes were drilled in total, with 44 of those drilled within or nearby the existing resource and 46 being drilled as larger step-outs. Assays from 39 of the 46 step-outs have now been received, including the results released this morning. Exhibit 1 on page two of this report shows the locations of 2022 drilling and the split between drilling within and outside the resource footprint.

**A resource update at Raven is expected later this year,** and will include the 2022 drilling that was conducted within or adjacent to the existing resource. Raven is a near-surface deposit and currently holds a resource of 1.1m Moz grading 1.7g/t.

**The company recently released exploration results from the Lynx deposit as well.** Victoria Gold drilled 6 holes and constructed 12 surface trenches at Lynx in 2022. Of the assays received so far, highlights from the drilling included 24.69g/t over 6.5m and 2.46g/t over 27.2m. Highlights from the trenching included 1.11g/t over 38m and 1.06g/t over 10m.

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### Company Description

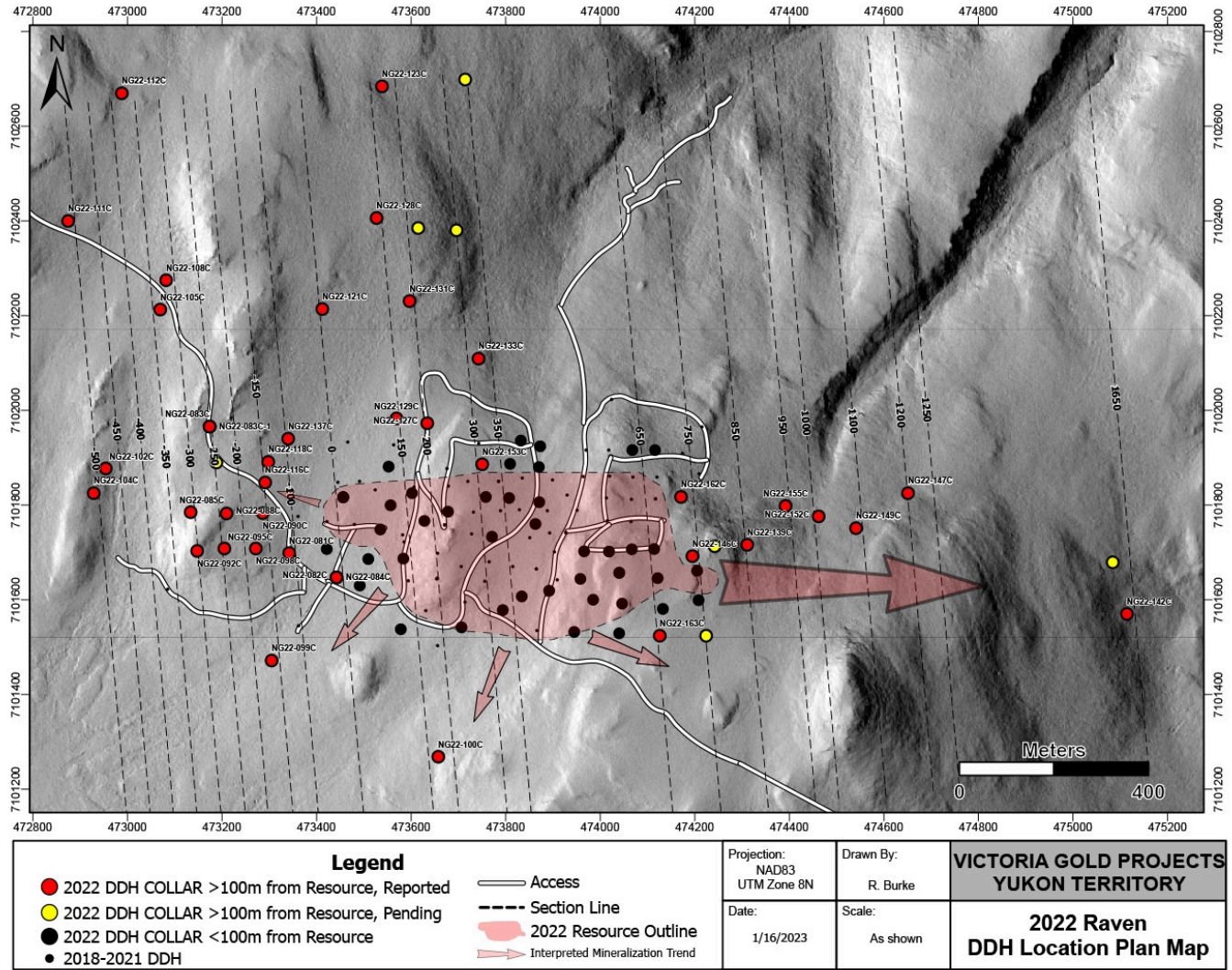
Victoria Gold is ramping up the Eagle Gold mine in the Yukon. The December 2019 feasibility defined a +210,000oz/year production capacity at a low all-in sustaining cost of <US\$800/oz.


 VG CX-TSX  
 Research

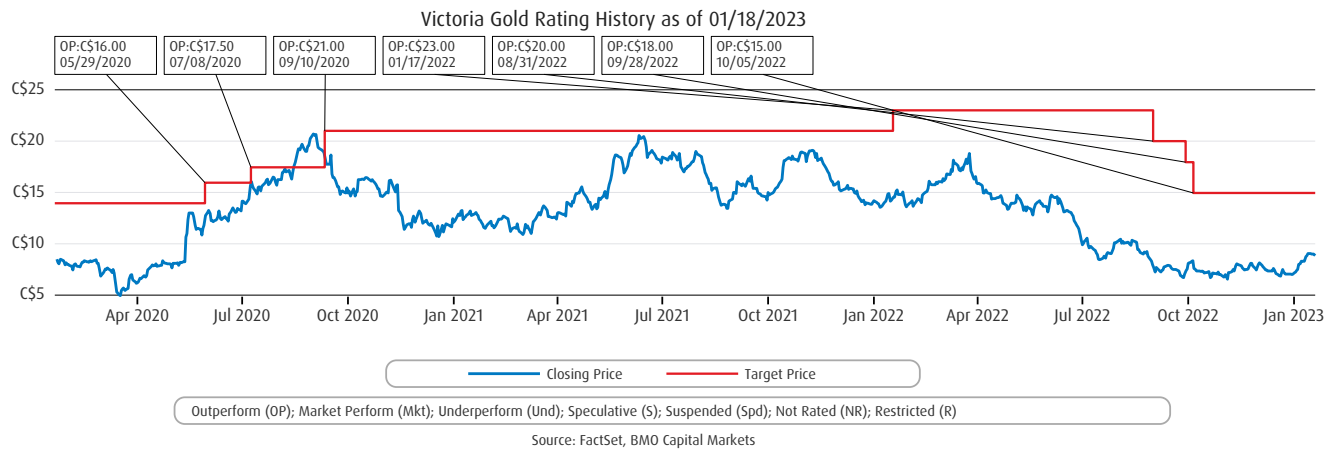

Glossary


 Company  
 Models

Exhibit 1: Plan view of 2022 drilling. The black holes were drilled within or near the resource footprint, while red and yellow denote holes drilled further from the resource as part of the distal exploration plan at Raven.



Source: Company reports



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Disclosure 16: A research analyst has extensively viewed the material operations of Victoria Gold.

Disclosure 17: Victoria Gold has provided at its expense some or all of the itinerant travel for the research analyst related to facilitating a material site visit.

### Methodology and Risks to Target Price/Valuation for Victoria Gold (VGCX-TSX)

**Methodology:** Our target is based on a NAV valuation directly reflecting the updated feasibility results from December 2019 and reflecting construction activities completed in October. We model \$150mm of exploration upside to reflect a portion of the value from zones not included in the current mine plan below the pit or in satellites. We use a P/NAV target setting multiple in line with operating peers.

**Risks:** The largest risk exposure for Eagle project is in ramp-up and execution; Eagle has advantages of road and power infrastructure in place to minimize any unexpected issues. Financing risk has been reduced but remains a risk until the mine starts delivering consistent cashflows. Jurisdictional, technical, and metallurgical risk are low due to the extensive technical work backing up the recent feasibility update and the mining-friendly jurisdiction of the Yukon.

## Distribution of Ratings (January 18, 2023)

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Hold	Market Perform	46.8 %	14.8 %	42.1 %	43.8 %	40.5 %	37.5%
Sell	Underperform	1.9 %	33.3 %	4.0 %	1.2 %	2.0 %	4.8%

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