



Condensed Consolidated Interim Financial Statements

March 31, 2022 and 2021

(Unaudited)
(Expressed in Canadian Dollars)

Victoria Gold Corp.

March 31, 2022 and December 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying condensed consolidated interim financial statements and all other financial information included in this report are the responsibility of management. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Financial statements include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the condensed consolidated interim financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of three Directors, all of whom are non-management and independent, meets with management to review the condensed consolidated interim financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the condensed consolidated interim financial statements.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "John McConnell"
Director, President and CEO
May 11, 2022

(signed) "Marty Rendall"
CFO
May 11, 2022

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents		\$ 40,694,558	\$ 31,250,867
Marketable securities and warrants		14,753,390	10,670,011
Receivables	5	4,738,726	956,104
Inventory	6	167,016,157	137,752,028
Current portion of derivative instruments	12	776,866	70,345
Prepaid expenses		6,808,215	6,737,332
		<u>234,787,912</u>	<u>187,436,687</u>
Non-current assets			
Restricted cash	7	397,114	519,761
Deferred taxes		30,252,407	27,676,840
Exploration and evaluation assets	7	51,788,742	49,353,477
Property, plant and equipment	8	641,108,645	626,400,098
		<u>663,536,908</u>	<u>1,213,170,076</u>
Total assets		\$ 958,334,820	\$ 891,386,863
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 50,700,634	\$ 60,487,577
Income and mining taxes payable		8,056,570	8,056,570
Deferred premium	15	4,647,261	-
Current portion of lease liability	10	774,659	382,130
Current portion of long-term debt	11	52,391,567	55,702,552
		<u>116,570,691</u>	<u>124,628,829</u>
Non-current liabilities			
Deferred taxes		71,174,765	62,507,626
Lease liability	10	3,447,417	1,005,818
Derivative instruments	12	25,470,160	18,873,989
Long-term debt	11	177,499,720	151,250,785
Asset retirement obligations ("ARO")	13	37,305,930	39,988,179
		<u>431,468,683</u>	<u>398,255,226</u>
Shareholders' Equity			
Share capital	15	415,730,737	401,217,210
Contributed surplus		24,743,076	24,471,505
Accumulated other comprehensive loss		(1,985,975)	(1,996,992)
Retained earnings		76,017,339	59,753,479
		<u>514,505,177</u>	<u>483,445,202</u>
Equity attributable to Victoria Gold shareholders		514,505,177	483,445,202
Non-controlling interest	7	12,360,960	9,686,435
		<u>526,866,137</u>	<u>493,131,637</u>
Total equity		526,866,137	493,131,637
Total liabilities and shareholders' equity		\$ 958,334,820	\$ 891,386,863

See accompanying notes to the condensed consolidated interim financial statements.

Authorized for issue by the Board of
Directors on May 11th, 2022 and
signed on its behalf.

"T. Sean Harvey"

Director

"Chris Hill"

Director

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Income and Comprehensive Income

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Three month period ended	
		March 31, 2022	March 31, 2021
Revenue		\$ 59,453,560	\$ 62,749,024
Cost of goods sold	18	20,088,389	25,287,751
Depreciation and depletion		13,068,997	12,629,524
Gross profit		26,296,174	24,831,749
Corporate general and administration	19	2,760,363	2,501,141
Operating earnings		23,535,811	22,330,608
Finance income		14,989	10,791
Finance costs	20	(2,565,622)	(3,693,593)
Unrealized gain (loss) on marketable securities		4,213,275	(1,057,622)
Unrealized and realized gain (loss) on derivative instruments	12	(6,180,090)	19,539,021
Foreign exchange gain (loss)		3,134,939	2,771,723
		(1,382,509)	17,570,320
Income before taxes		22,153,302	39,900,928
Deferred tax (expense) recovery		(6,105,932)	(8,100,000)
Net income		\$ 16,047,370	\$ 31,800,928
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation adjustment		21,631	(32,629)
Total comprehensive income for the period		\$ 16,069,001	\$ 31,768,299
Total comprehensive income for the period		\$ 16,047,370	\$ 31,800,928
Net income attributable to:			
Shareholders of the Company		\$ 16,263,860	\$ 31,800,928
Non-controlling interest		(216,490)	-
		\$ 16,047,370	\$ 31,800,928
Other comprehensive income (loss) attributable to:			
Shareholders of the Company		\$ 11,017	\$ (21,643)
Non-controlling interest		10,614	(10,986)
		\$ 21,631	\$ (32,629)
Comprehensive income attributable to:			
Shareholders of the Company		\$ 16,274,877	\$ 31,779,285
Non-controlling interest		(205,876)	(10,986)
		\$ 16,069,001	\$ 31,768,299
Earnings per share			
Basic	14	\$ 0.25	\$ 0.51
Diluted		\$ 0.24	\$ 0.48
Weighted average number of shares outstanding			
Basic	14	63,353,399	62,127,751
Diluted		66,826,562	65,910,414

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian Dollars)

Notes	Share capital		Contributed surplus	Accumulated other comprehensive loss	Retained earnings (deficit)	Non-controlling interest	Total equity	
	Number of shares	Amount						
Balance at December 31, 2020	62,117,040	\$ 395,740,554	\$ 22,873,438	\$ (2,017,697)	\$ (50,961,993)	\$ 6,432,961	\$ 372,067,263	
Transactions with owners:								
Proceeds from stock options exercised	32,000	240,000	-	-	-	-	240,000	
Fair values allocated upon exercise:								
Stock options	-	46,751	(46,751)	-	-	-	-	
Share-based payments, expensed	-	-	900,126	-	-	-	900,126	
Total transactions with owners:	32,000	286,751	853,375	-	-	-	1,140,126	
Net income for the period	-	-	-	-	31,800,928	-	31,800,928	
Other comprehensive income/(loss):								
Currency translation adjustment	-	-	-	(21,643)	-	(10,986)	(32,629)	
Balance at March 31, 2021	15	62,149,040	\$ 396,027,305	\$ 23,726,813	\$ (2,039,340)	\$ (19,161,065)	\$ 6,421,975	\$ 404,975,688
Balance at December 31, 2021		62,701,207	\$ 401,217,210	\$ 24,471,505	\$ (1,996,992)	\$ 59,753,479	\$ 9,686,435	\$ 493,131,637
Transactions with owners:								
Proceeds from share issue	1,000,000	20,000,000	-	-	-	-	20,000,000	
Proceeds from stock options exercised	25,333	189,998	-	-	-	-	189,998	
Stock options	-	73,529	(73,529)	-	-	-	-	
Share issuance costs	-	(1,102,739)	-	-	-	-	(1,102,739)	
Share-based payments, expensed	-	-	345,100	-	-	-	345,100	
Premium on flow-through shares	-	(4,647,261)	-	-	-	-	(4,647,261)	
Total transactions with owners:	1,025,333	14,513,527	271,571	-	-	-	14,785,098	
Non-controlling interest	-	-	-	-	-	2,880,401	2,880,401	
Net income (loss) for the period	-	-	-	-	16,263,860	(216,490)	16,047,370	
Other comprehensive income/(loss):								
Currency translation adjustment	-	-	-	11,017	-	10,614	21,631	
Balance at March 31, 2022	15	63,726,540	\$ 415,730,737	\$ 24,743,076	\$ (1,985,975)	\$ 76,017,339	\$ 12,360,960	\$ 526,866,137

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Three month period ended	
		March 31, 2022	March 31, 2021
Operating activities			
Net income for the period		\$ 16,047,370	\$ 31,800,928
Adjustments for:			
Depreciation and depletion		13,068,997	12,629,524
Share-based payments	16	468,646	900,126
Income and mining taxes		6,105,932	8,100,000
Finance costs		2,655,908	3,687,046
Unrealized (gain) loss on marketable securities		(4,213,275)	1,057,622
Unrealized (gain) loss on derivative instruments	12	5,889,650	(22,628,241)
Amortization		26,807	26,807
Unrealized foreign exchange (gain) loss, net		(3,352,536)	(3,410,074)
Operating cash flow before working capital adjustments		36,697,499	32,163,738
Working capital adjustments:			
(Increase) decrease in receivables		(3,783,913)	1,986,776
(Increase) decrease in inventory		(29,264,129)	(10,915,236)
(Increase) decrease in marketable securities		129,896	-
(Increase) decrease in prepaid expenses and deposits		3,478,622	532,608
Increase (decrease) in accounts payables and accrued liabilities		(13,986,424)	(11,048,452)
		(43,425,948)	(19,444,304)
Net cash flows (used in) from operating activities		(6,728,449)	12,719,434
Investing activities			
Exploration and evaluation assets	7	(3,237,647)	(173,214)
Restricted cash		99,000	-
Purchase of property, plant and equipment		(28,360,438)	(30,942,726)
Net cash flows used in investing activities		(31,499,085)	(31,115,940)
Financing activities			
Shares issued for cash, net of issuance costs	15	23,871,691	-
Exercise of options		189,998	240,000
Interest paid		(1,728,849)	(2,637,898)
Credit Facility	11	5,235,429	-
Principal (repayment) draw of long-term debt	11	20,422,268	(13,434,695)
Principal repayment of lease liability		(193,927)	(181,506)
Net cash flows from (used in) financing activities		47,796,610	(16,014,099)
Foreign exchange gain (loss) on cash balances		(125,385)	(166,329)
Net increase (decrease) in cash and cash equivalents		9,443,691	(34,576,934)
Cash and cash equivalents, beginning of the period		31,250,867	56,136,314
Cash and cash equivalents, end of the period		40,694,558	\$ 21,559,380

See accompanying notes to the condensed consolidated interim financial statements. Supplementary Cash Flow information is provided in Note 22.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Victoria Gold Corp. ("Victoria" or "Company"), a British Columbia company, was incorporated in accordance with the *Business Corporations Act* (British Columbia) on September 21, 1981. The Company's common shares are listed on the Toronto Stock Exchange (TSX).

The Company is engaged in the operation, exploration and acquisition of mineral properties. On July 1, 2020 the Company achieved commercial production at the Eagle Gold Mine. The Company's registered office is located at 80 Richmond St. West, Suite 204, Toronto, Ontario, M5H 2A4, Canada.

2. BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

These condensed consolidated interim financial statements include the accounts of Victoria, its wholly-owned subsidiary, Victoria Gold (Yukon) Corp. and its 50.93% interest in Lahontan Gold Corp. ("Lahontan").

These financial statements were approved by the Board of Directors for issue on May 11, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2021.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2021.

5. RECEIVABLES

Receivables includes the following components:

	March 31, 2022	December 31, 2021
GST receivable	\$ 1,010,858	\$ 312,677
Trade and other receivables	3,727,868	643,427
Total	<u>\$ 4,738,726</u>	<u>\$ 956,104</u>

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

6. INVENTORY

Inventory includes the following components:

	March 31, 2022	December 31, 2021
Stockpiled ore	\$ 6,921,409	\$ 1,735,813
In-process inventory	137,411,464	115,430,127
Finished goods inventory	2,456,362	2,769,614
Total mineral inventory	146,789,235	119,935,554
Materials and supplies	20,226,922	17,816,474
Total	\$ 167,016,157	\$ 137,752,028

As at March 31, 2022, \$31.1 million (December 31, 2021 – \$27.1 million) of non-cash costs such as depreciation, depletion and site share-based compensation were included in inventory.

7. EXPLORATION AND EVALUATION ASSETS

	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2021	\$ 12,026,909	\$ 35,743,396	\$ 1,583,172	\$ 49,353,477
Salaries and benefits	113,715	68,812	-	182,527
Land claims and royalties	(134,600)	-	74,500	(60,100)
Environmental and permitting	-	4,085	-	4,085
Drilling and indirects	1,276,245	521,804	24,324	1,822,373
Other exploration	146,763	552,440	-	699,203
Exploration and evaluation costs for the period	1,402,123	1,147,142	98,824	2,648,088
Currency translation	(212,823)	-	-	(212,823)
Balance March 31, 2022	\$ 13,216,209	\$ 36,890,538	\$ 1,681,996	\$ 51,788,742

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

As of March 31, 2022, restricted cash consists of \$0.4 million relating to interest in other properties, primarily Santa Fe (December 31, 2021 - \$0.4 million).

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

	Other property interest (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance December 31, 2020	\$ 10,419,030	\$ 29,040,083	\$ 1,566,929	\$ 41,026,042
Sale of property interest	-	-	(131,250)	(131,250)
Salaries and benefits	725,708	837,088	-	1,562,796
Land claims and royalties	676,158	115,800	64,845	856,803
Drilling and indirects	859,128	4,136,413	4,500	5,000,041
Other exploration	538,132	1,614,012	78,148	2,230,292
Exploration and evaluation costs for the year	2,799,126	6,703,313	147,493	9,649,932
Currency translation	(1,191,247)	-	-	(1,191,247)
Balance December 31 2021	\$ 12,026,909	\$ 35,743,396	\$ 1,583,172	\$ 49,353,477

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

8. PROPERTY, PLANT AND EQUIPMENT

	Other assets	Right-of-use assets	Leasehold improvements	Buildings & structures	Equipment	Mineral Properties	Total
Cost							
December 31, 2020	\$1,367,374	\$ 3,354,100	\$ 589,149	\$ 246,991,946	\$ 143,489,837	\$ 247,991,658	\$643,784,064
Additions	-	9,068	-	7,696,533	27,726,571	72,153,176	107,585,348
Disposals	-	(23,285)	-	-	-	-	(23,285)
December 31, 2021	1,367,374	3,339,883	589,149	254,688,479	171,216,408	320,144,834	751,346,127
Additions	-	3,028,055	-	28,466,229	4,820,244	(8,320,924)	27,993,604
Disposals	-	(1,475,648)	-	-	-	-	(1,475,648)
March 31, 2022	\$1,367,374	\$ 4,892,290	\$ 589,149	\$ 283,154,708	\$ 176,036,652	\$ 311,823,910	\$777,864,083
Accumulated amortization							
December 31, 2020	\$ 978,856	\$ 1,404,764	\$ 285,463	\$ 30,061,948	\$ 23,632,064	\$ 7,803,920	\$ 64,167,015
Charge	104,820	851,086	156,268	21,065,270	19,004,127	19,620,728	60,802,299
Disposals	-	(23,285)	-	-	-	-	(23,285)
December 31, 2021	1,083,676	2,232,565	441,731	51,127,218	42,636,191	27,424,648	124,946,029
Charge	19,012	216,062	36,854	5,584,912	4,101,509	3,326,708	13,285,057
Disposals	-	(1,475,648)	-	-	-	-	(1,475,648)
March 31, 2022	\$1,102,688	\$ 972,979	\$ 478,585	\$ 56,712,130	\$ 46,737,700	\$ 30,751,356	\$136,755,438
Net book value							
December 31, 2020	\$ 388,518	\$ 1,949,336	\$ 303,686	\$ 216,929,998	\$ 119,857,773	\$ 240,187,738	\$579,617,049
December 31, 2021	\$ 283,698	\$ 1,107,318	\$ 147,418	\$ 203,561,261	\$ 128,580,217	\$ 292,720,186	\$626,400,098
March 31, 2022	\$ 264,686	\$ 3,919,311	\$ 110,564	\$ 226,442,578	\$ 129,298,952	\$ 281,072,554	\$641,108,645

During the three months ended March 31, 2022, the Company capitalized \$9.2 million (March 31, 2021 - \$16.1 million) of deferred stripping costs to mineral properties. The depletion expense related to deferred stripping for the three months ended March 31, 2022 was \$0.5 million (March 31, 2021 - \$0.2 million). Included in the mineral properties balance at March 31, 2022 is \$53.0 million (March 31, 2021 - \$31.5 million) related to deferred stripping costs.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

The carrying value of equipment pledged as security for the related Equipment Financing Facility at March 31, 2022 was \$30.2 million (\$32.4 million – December 31, 2021) (Note 11).

Certain of the Company's mining properties are subject to royalty arrangements based on their net smelter returns ("NSR"s). At March 31, 2022, the Company's royalty arrangements based on production were as follows:

Royalty arrangements:

Franco-Nevada Corp.	1% Cash NSR – Settled via cash payment royalty expense after production
Osisko Gold Royalties Ltd.	5% Metal NSR – Settled via delivery of metal ounces after production

The royalty arrangements listed above have an impact on the Company's financial statement presentation of Revenue and Royalty expense. Revenue herein is based on 95% of the production from the Eagle Mine after the delivery of the 5% metal NSR attributable to Osisko Gold Royalties Ltd. As a result, this 5% NSR is not recorded in Revenue nor as a Royalty expense. The 1% cash NSR held by Franco-Nevada Corp. is included in Revenue, as it does not impact ounces available for sale, and a Royalty expense is recorded, as it is satisfied with a cash payment.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following components:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Trade payables	\$ 19,630,646	\$ 24,319,607
Accrued liabilities	28,867,185	31,317,279
Payroll related liabilities	2,202,803	4,850,691
Total	<u>\$ 50,700,634</u>	<u>\$ 60,487,577</u>

10. LEASE LIABILITY

	<u>Total</u>
As at December 31, 2021	\$ 1,387,948
Additions	3,028,056
Disposals	
Interest expense	34,025
Lease payments	(227,953)
Lease liabilities at March 31, 2022	<u>\$ 4,222,076</u>
Current lease liability	<u>774,659</u>
Non-current lease liability	<u>3,447,417</u>

The Company has lease liabilities for contracts related to equipment, vehicles, and office premises in: (1) Vancouver, BC, (2) Toronto, Ontario and (3) Whitehorse, Yukon. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

	March 31, 2022	December 31, 2021
MATURITY ANALYSIS		
< 1 year	\$ 774,659	\$ 382,130
1 to 3 years	669,474	215,779
3 to 5 years	1,749,886	790,039
> 5 years	1,028,057	-
Total	\$ 4,222,076	\$ 1,387,948

11. DEBT

On December 18, 2020 the Company announced it had entered into a credit agreement with a syndicate of banks, comprised of Bank of Montreal, CIBC and BNP Paribas, in connection with a secured US\$200 million debt facility (the "Loan Facility"). The Loan Facility is comprised of a US\$100 million term loan (the "Term Facility") and a US\$100 million revolving facility (the "Revolving Credit Facility").

The funding from the Loan Facility was used to repay the previously outstanding project finance facility, which included senior and subordinated debt that was used for the construction of the Eagle Gold Mine. The Revolving Credit Facility is available for general corporate purposes subject to customary terms and conditions.

On December 20, 2021 the Company amended the terms of both the revolving and term loan facilities. Under the amended agreement, interest rates would be reduce by 0.50%. Amounts drawn on the facilities are subject to interest at LIBOR plus 2.50% to 3.50% per annum based on the Company's leverage ratio, with the undrawn portion subject to a standby fee of 0.56% to 0.79% per annum. The maturity date of the revolving facility has also been extended to December 2024 from December 2023.

The Loan Facility includes certain financial covenants that are calculated and reported each fiscal quarter, which commenced on December 31, 2020. As at March 31, 2022, the Company is in compliance with all covenants.

Loan Facilities

Term Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 2.75%;
- Principal and interest are repayable in 12 equal quarterly installments which began on March 31, 2021.

As at March 31, 2022, principal of US\$58.3 million was outstanding on the Term Facility. Deferred financing charges in the amount of \$2.6 million are being amortized over the term using the effective interest rate method.

Revolving Credit Facility

US\$100 million loan facility with the following commercial terms:

- Interest rate of LIBOR plus 2.75%;
- Accrued interest is repayable quarterly and began on March 31, 2021;
- Principal and accrued interest are due at maturity, on December 31, 2024, and may be repaid early without penalty.

As at March 31, 2022, principal of US\$94.9 million was outstanding on the Revolving Credit Facility. Deferred financing charges in the amount of \$2.6 million are being amortized using the full amount of the facility, including any undrawn amount, over the full term of the facility using the effective interest rate method.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

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Equipment Finance Facility

US\$50 million facility with Caterpillar Financial Services Limited (“Cat Financial”) with the following commercial terms:

- Available for drawdown against the acquisition cost of Cat mining equipment;
- Interest rates of LIBOR plus 2.50-3.50%;
- 4-6 year, amortizing facility, maturing between November 29, 2022 and July 1, 2025 (the “Term”) and;
- Secured by Cat mining equipment.

As at March 31, 2022, principal of US\$32.7 million was outstanding on the Equipment Finance Facility. Deferred financing charges in the amount of \$2.7 million are being amortized over the Term using the effective interest rate method.

	March 31, 2022	December 31, 2021
Equipment Finance Facility, principal	\$ 40,404,496	\$ 38,883,671
Equipment Finance Facility, interest	175,328	339,794
Equipment Finance Facility, ending balance	<u>\$ 40,579,824</u>	<u>\$ 39,223,465</u>
Term Debt Facility, principal	\$ 71,822,009	\$ 83,100,854
Term Debt Facility, interest	3,891	1,419
Term Debt Facility, ending balance	<u>\$ 71,825,900</u>	<u>\$ 83,102,273</u>
Revolver Facility, principal	\$ 117,477,357	\$ 84,625,557
Revolver Facility, interest	8,206	2,042
Revolver Facility, ending balance	<u>\$ 117,485,563</u>	<u>\$ 84,627,599</u>
Total Debt	\$ 229,891,287	\$ 206,953,337
Less: Current portion	<u>(52,391,567)</u>	<u>(55,702,552)</u>
Long-term Debt	<u>\$ 177,499,720</u>	<u>\$ 151,250,785</u>

During the three month period ended March 31, 2022 the Company incurred interest expense of \$1.7 million (March 31, 2021 - \$2.6 million) and amortized deferred financing charges of \$0.6 million (March 31, 2021 - \$0.9 million) in the condensed consolidated interim statements of income and comprehensive income.

The Equipment Finance Facility with Cat Financial is secured by leased equipment with a carrying value of \$30.2 million as of March 31, 2022 (\$32.4 million – December 31, 2021).

The Company’s scheduled debt principal repayments as at March 31, 2022 are summarized in the table, below:

	2022	2023	2024	2025	2026 and thereafter	Total
Term Debt Facility	\$ 31,240,000	\$ 41,653,333	\$ -	\$ -	\$ -	\$ 72,893,333
Revolving Loan Facility	-	-	118,548,684	-	-	118,548,684
Equipment Finance Facility	7,686,775	10,373,591	10,733,801	11,106,518	1,272,814	41,173,498
	<u>\$ 38,926,775</u>	<u>\$ 52,026,924</u>	<u>\$ 129,282,485</u>	<u>\$ 11,106,518</u>	<u>\$ 1,272,814</u>	<u>\$ 232,615,516</u>

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative Instruments outstanding	Quantity outstanding	Remaining term	Exercise price	Fair value - asset (liability) (C\$)
<i>Current Instruments</i>				
<u>Gold put options</u>				
Gold put options - purchased	15,000 oz	April 2022 - June 2022	US\$1,700	\$ 25,127
<u>Gold forwards</u>				
Gold forwards	15,000 oz	July 2022 - December 2022	US\$2,004	751,739
				\$ 776,866
<i>Long-term Instruments</i>				
<u>Gold call options</u>				
Gold call options - sold	20,000 oz	April 13, 2023	US\$1,485	\$ (13,797,491)
<u>Warrants</u>				
Warrants	1,666,667	April 13, 2023	C\$9.375	(11,672,669)
				(25,470,160)
<i>Total Instruments</i>				\$ (24,693,294)

Gold Put Options

In January 2022, the Company purchased gold put options on 15,000 ounces of gold at a price of US\$1,700 per ounce with monthly expiry dates of April 30 through June 30, 2022. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the consolidated financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. The Company recognized the mark-to-market adjustment loss of \$0.3 million, based on US\$1,937 per ounce of gold and a foreign exchange rate of 1.2496 US\$ to C\$, in net income of the condensed consolidated interim statements of income and comprehensive income for the period ended March 31, 2022.

Gold Forwards

In March 2022, the Company purchased gold forwards on 15,000 ounces of gold at a price of US\$2,004 per ounce with monthly expiry dates of July 30 through December 29, 2022. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the consolidated financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. The Company recognized the mark-to-market adjustment gain of \$0.7 million, based on US\$1,937 per ounce of gold and a foreign exchange rate of 1.2496 US\$ to C\$, in net income of the condensed consolidated interim statements of income and comprehensive income for the period ended March 31, 2022.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

Gold Call Options

On April 13, 2018, the Company issued a gold call option on 20,000 ounces of gold at a price of US\$1,485 per ounce, with an expiry date of April 13, 2023. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the consolidated financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using external broker-dealer quotations corroborated by option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. As at March 31, 2022 the gold call option fair value was \$13.8 million, based on US\$1,937 per ounce of gold and a foreign exchange rate of 1.2496 US\$ to C\$. The Company recognized the mark-to-market adjustment loss of \$4.5 million in net income (loss) of the condensed consolidated interim statements of income and comprehensive income for the period ended March 31, 2022.

Warrants

On April 13, 2018, the Company granted 1,666,667 warrants with a strike price of \$9.375 and a term of five years. These derivative financial instruments are classified within Level 2 of the fair value hierarchy and classified in the consolidated financial statements based on contractual maturity. These derivative financial instruments are recorded at fair value using Black-Scholes option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. As at March 31, 2022, the warrant fair value was \$11.7 million based on the March 31, 2022 closing share price of \$15.90. The Company recognized the mark-to-market adjustment loss of \$2.1 million in net income of the condensed consolidated interim statements of income and comprehensive income for the period ended March 31, 2022.

13. ASSET RETIREMENT OBLIGATIONS

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and measured with the most reliable information available. Management's estimate is determined based on the net present value of estimated future cash expenditures for reclamation and closure activities. Reclamation and closure costs are capitalized into exploration and evaluation assets or mineral properties depending on the nature of the asset related to the obligation and amortized over the life of the related asset. Future changes to those regulations and standards, as well as changes resulting from operations, may result in actual reclamation costs differing from the estimate.

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Dublin Gulch property. The Company prepared the Dublin Gulch reclamation obligation using prescribed third-party contractor rates with a 10% contingency. The estimated costs of reclamation are based on current regulatory requirements and the estimated reclamation costs at the reporting date use the following assumptions:

- a) total undiscounted amount of inflation adjusted future reclamation costs at March 31, 2022 was determined to be \$49.4 million for Dublin Gulch (December 31, 2021 - \$49.7 million) and \$0.4 million for its interest in other properties, primarily Santa Fe (December 31, 2021 - \$0.4 million);
- b) weighted average risk-free interest rate at 2.5% and a long-term inflation rate of 2.0%; and
- c) expected timing of risk adjusted cash outflows required to settle the obligation will be incurred over the period through 2034 for Dublin Gulch.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

The following is an analysis of the Company's asset retirement obligation:

	March 31, 2022	December 31, 2021
Balance, beginning of the period	\$ 39,627,610	\$ 27,855,642
Accretion on reclamation provision	173,371	725,951
ARO change due to revaluation	(2,941,437)	11,046,017
	\$ 36,859,544	\$ 39,627,610
Interest in other properties	446,386	360,569
Balance, end of the period	\$ 37,305,930	\$ 39,988,179

14. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net income attributable to common shareholders by the weighted average number of ordinary shares in issue during the period.

	Three month period ended March 31, 2022	March 31, 2021
Net income	\$ 16,047,370	\$ 31,800,928
Weighted average number of common shares issued	63,353,399	62,127,751
Basic earnings per share	\$ 0.25	\$ 0.51

(b) Diluted

	Three month period ended March 31, 2022	March 31, 2021
Net income attributable to common shareholders	\$ 16,047,370	\$ 31,800,928
Weighted average number of common shares issued	63,353,399	62,127,751
Adjustment for:		
Warrants	1,666,667	1,666,667
Deferred share units & restricted share units	268,000	-
Stock options	1,538,496	2,115,996
Weighted average number of ordinary shares for diluted earnings per share	66,826,562	65,910,414
Diluted earnings per share	\$ 0.24	\$ 0.48

15. SHARE CAPITAL AND OTHER EQUITY

Authorized, issued and outstanding common shares

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 63,726,540 and 62,149,040 shares for the three month period ended March 31, 2022 and March 31, 2021, respectively.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

On February 3, 2022, the Company closed a brokered flow-through share offering (the "Offering") raising gross proceeds of \$20.0 million, representing the issuance of 1,000,000 common shares priced at \$20.00 per share. Finders' fees of \$1,000,000 were paid for this transaction. Other issuance costs were incurred in conjunction with the Offering. The flow-through shares were subject to a four-month hold period.

Deferred premium on flow-through shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is reduced and the reduction of premium liability is recorded as a tax recovery upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures already incurred. As at March 31, 2022, the Company has yet to incur any qualifying exploration expenditures and has recognized a deferred premium liability of \$4,647,261 relating to the flow-through shares financing completed on February 3, 2022 (see above).

16. SHARE-BASED PAYMENTS

Omnibus Incentive Plan

The omnibus incentive plan of the Company (the "Omnibus Plan") was approved by the shareholders of the Company on August 19, 2020. The Omnibus Plan has been established to attract and retain key talent who are necessary or essential to Victoria's success, reputation and activities and allows Victoria to reward key talent for their performance and greater align their interest with those of Victoria's shareholders. The Omnibus Plan is an "evergreen" plan and the Common Shares available for issuance pursuant to awards granted under the Omnibus Plan may not exceed 10% of the total number of issued and outstanding Common Shares. At March 31, 2022, 4,051,992 (4,049,458 as at December 31, 2021) additional stock options, or other equity based awards were available for grant under the Company's Omnibus Plan.

A summary of the status of the Omnibus Plan as at March 31, 2022 and as at December 31, 2021, and changes during the periods ended on those dates is presented below:

	March 31, 2022			December 31, 2021		
	Number of stock options	Weighted average exercise price	Fair Value Assigned	Number of stock options	Weighted average exercise price	Fair Value Assigned
Outstanding, beginning of the period	1,563,829	\$ 10.13	\$5,821,684	2,147,996	\$ 9.43	\$6,888,537
Granted	-	\$ -	-	-	\$ -	-
Exercised	(25,333)	\$ 7.50	(73,529)	(584,167)	\$ 7.55	(1,066,853)
Expired	-	\$ -	-	-	\$ -	-
Forfeited	-	\$ -	-	-	\$ -	-
Outstanding, end of the period	1,538,496	\$ 10.17	\$5,748,155	1,563,829	\$ 10.13	\$5,821,684

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

As at March 31, 2022, the Company had stock options issued to directors, officers, employees and contractors of the Company outstanding as follows:

<u>Date of grant</u>	<u>Number of options outstanding</u>	<u>Number of options exercisable</u>	<u>Exercise price</u>	<u>Expiry date</u>
January 25, 2019	284,001	284,001	\$ 7.50	January 25, 2022 *
December 9, 2019	409,995	409,995	\$ 8.05	December 9, 2022
December 14, 2020	844,500	844,500	\$ 12.10	December 14, 2023
	<u>1,538,496</u>	<u>1,538,496</u>		

* The expiry of this tranche of options was extended as the Company was on blackout at expiry. These options have since been exercised subsequent to date of these statements.

The fair value of each option is accounted for in the consolidated statements of income and comprehensive income or capitalized to exploration and evaluation assets over the vesting period of the options, and the related credit is included in contributed surplus.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the certain assumptions and a forfeiture rate of 9.4%.

As at March 31, 2022, the Company had restricted share units and deferred share units held by directors, officers and employees of the Company outstanding as follows:

	<u>March 31, 2022</u>	
	<u>Restricted share units</u>	<u>Deferred share units</u>
Outstanding, beginning of the period	-	-
Granted	212,000	56,000
Exercised	-	-
Expired	-	-
Forfeited	-	-
Outstanding, end of the period	<u>212,000</u>	<u>56,000</u>

Restricted share units

During the quarter ended March 31, 2022, the Company granted 212,000 restricted share units ("RSU"). The RSUs were granted to eligible employees and vest one-third per year over three years from date of grant. Each RSU entitles the recipient to a payment in shares upon vesting unless the recipient elects to be paid in cash. The payment in cash is based on the market value of one common share at the end of the vesting period. Total share-based compensation expense related to RSUs for the period was \$123,546 and \$2,984 was capitalized.

Deferred share units

During the quarter ended March 31, 2022, the Company granted 56,000 deferred share units ("DSU") to directors of the Company. The DSUs do not vest until the end of service as a director of the Company. Each vested DSU entitles the recipient to a payment either in shares or in cash at the option of the Company. The fair value of the DSUs were estimated as of the date of issuance using the Black-Scholes option pricing model with the following assumptions: a risk-free annual interest rate of 1.6%, an expected life of 3 years, an expected volatility of 56% and a dividend yield rate of nil. Total share-based compensation expense related to DSUs for the period was \$345,100.

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

Warrants

The following table summarizes information regarding changes in the Company's warrants outstanding:

	March 31, 2022			December 31, 2021		
	Number of Warrants	Weighted average exercise price	Fair Value	Number of Warrants	Weighted average exercise price	Fair Value
Outstanding, beginning of the period	1,666,667	\$ 9.375	\$ 4,359,345	1,666,667	\$ 9.375	\$ 4,359,345
Outstanding, end of the period	1,666,667	\$ 9.375	\$ 4,359,345	1,666,667	\$ 9.375	4,359,345
	Number of Warrants	Exercise price	Expiry date			
Issued in private placement	1,666,667	\$ 9.375	April 13, 2023			
	1,666,667					

The fair value of the warrants expiring on April 13, 2023 were estimated as of the date of issuance using the Black-Scholes option pricing model with the following assumptions: a risk-free annual interest rate of 2.1%, an expected life of 5 years, an expected volatility of 76% and a dividend yield rate of nil.

These April 13, 2023 warrants are considered financial instruments at fair value through profit or loss. The holder of the warrants may exercise the warrants for the Company's common shares. The warrants have been classified as a financial liability instrument and are recorded at fair value at each reporting period end using a Black-Scholes model. Warrant pricing models require the input of certain assumptions including price volatility and expected life. Changes in these assumptions could affect the reported fair value of the warrants (*Note 12*).

17. RELATED PARTIES

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

The remuneration of directors and key management of the Company for the three month periods ended March 31, 2022 and March 31, 2021 was as follows:

	March 31, 2022	March 31, 2021
Salaries and other short term employment benefits	\$ 933,163	\$ 1,232,100
Share-based compensation	\$ 454,919	\$ 900,126

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

18. COST OF GOODS SOLD

Cost of goods sold include the following components:

	Three month period ended	
	March 31, 2022	March 31, 2021
Operating costs:		
Mining	\$ 19,605,505	\$ 18,539,257
Processing	24,325,290	17,339,907
Site services	5,333,079	5,905,399
Site general and administration costs	6,526,978	5,946,102
Royalty (Note 8)	387,220	623,521
Production costs	56,178,072	48,354,186
Change in inventory	(36,089,683)	(23,066,435)
Total	\$ 20,088,389	\$ 25,287,751

19. CORPORATE GENERAL AND ADMINISTRATION

Corporate general and administration costs include the following components:

	Three month period ended	
	March 31, 2022	March 31, 2021
Salaries and benefits	\$ 1,112,537	\$ 986,207
Office and administrative	601,099	365,755
Share-based payments (Note 16)	410,454	605,753
Marketing	327,129	326,370
Professional fees	282,337	190,249
Amortization	26,807	26,807
Total	\$ 2,760,363	\$ 2,501,141

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

20. FINANCE COSTS

Finance costs include the following components:

	Three month period ended	
	March 31, 2022	March 31, 2021
Interest on debt facilities (Note 11)	\$ 1,731,292	\$ 2,636,965
Amortization of deferred financing charges (Note 11)	625,011	930,297
Interest and bank charges	1,923	6,547
Interest expense on leases (Note 10)	34,025	43,122
Accretion on reclamation provision (Note 13)	173,371	76,662
Total	\$ 2,565,622	\$ 3,693,593

21. SEGMENTED INFORMATION

The Company manages its reportable operating segments by operating mines and development projects. A breakdown of mineral properties by geographic expenditures is disclosed in Note 7. The results from operations of these reportable operating segments are summarized in the following tables:

	Eagle Mine	Dublin Gulch	Nevada	Corporate and other	Total
Three months ended March 31, 2022					
Revenue	\$ 59,453,560	\$ -	\$ -	\$ -	\$ 59,453,560
Cost of goods sold	20,088,389	-	-	-	20,088,389
Depreciation and depletion	13,068,997	-	-	-	13,068,997
Mine operating earnings	26,296,174	-	-	-	26,296,174
Corporate general & administration	369,682	-	181,462	2,209,219	2,760,363
Operating earnings (loss)	\$ 25,926,492	\$ -	\$ (181,462)	\$ (2,209,219)	\$ 23,535,811
December 31, 2021					
Property, plant and equipment	\$ 640,990,499	\$ -	\$ -	\$ 118,146	\$ 641,108,645
Exploration and evaluation assets	\$ -	\$ 36,890,538	\$ 13,216,209	\$ 1,681,996	\$ 51,788,742
Total assets	\$ 843,958,875	\$ 36,890,538	\$ 13,216,209	\$ 64,269,198	\$ 958,334,820
	Eagle Mine	Dublin Gulch	Santa Fe	Corporate and other	Total
Three months ended March 31, 2021					
Revenue	\$ 62,749,024	\$ -	\$ -	\$ -	\$ 62,749,024
Cost of goods sold	25,287,751	-	-	-	25,287,751
Depreciation and depletion	12,629,524	-	-	-	12,629,524
Mine operating earnings	24,831,749	-	-	-	24,831,749
Corporate general & administration	385,409	-	-	2,115,732	2,501,141
Operating earnings (loss)	\$ 24,446,340	\$ -	\$ -	\$ (2,115,732)	\$ 22,330,608
March 31, 2021					
Property, plant and equipment	\$ 598,357,960	\$ -	\$ -	\$ 225,374	\$ 598,583,334
Exploration and evaluation assets	\$ -	\$ 29,357,473	\$ 10,419,030	\$ 1,652,134	\$ 41,428,637
Total assets	\$ 705,994,858	\$ 29,357,473	\$ 10,419,030	\$ 23,115,411	\$ 768,886,772

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

22. SUPPLEMENTARY CASH FLOW INFORMATION

	March 31, 2022	December 31, 2021
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to property, plant and equipment and exploration and evaluation asset expenditures	\$ 16,037,796	\$ 11,962,377
Stock-based compensation, capitalized to exploration and evaluation assets	\$ 2,984	\$ -
Income taxes paid	\$ -	\$ -
Interest paid	\$ 1,728,849	\$ 9,275,041

Reconciliation of movements in liabilities to cash flows arising from financing activities:

	Long term debt (Note 11)	Lease liability (Note 10)	Total
Balance December 31, 2021	\$ 206,953,337	\$ 1,387,948	\$ 208,341,285
Changes from financing activities:			
Net proceeds from Credit Facility draws	39,370,329	-	39,370,329
Principal paid	(13,712,632)	(193,927)	(13,906,559)
Interest paid	(1,694,823)	(34,026)	(1,728,849)
	230,916,211	1,159,995	232,076,206
Non-cash changes:			
Lease additions	-	3,028,056	3,028,056
Interest expense	2,295,884	34,025	2,329,909
Amortization of deferred financing charges	625,011	-	625,011
Foreign exchange loss (gain)	(3,945,819)	-	(3,945,819)
Balance March 31, 2022	\$ 229,891,287	\$ 4,222,076	\$ 234,113,363

23. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial assets and liabilities

The book values of the cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, approximate their respective fair values.

The fair values together with the carrying amounts shown in the statements of financial position are as follows:

Victoria Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the three month periods ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian Dollars)

	<i>Classification</i>	March 31, 2022		December 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	<i>Level 1</i>	\$ 40,694,558	\$ 40,694,558	\$ 31,250,867	\$ 31,250,867
Restricted cash	<i>Level 1</i>	397,114	397,114	519,761	519,761
Marketable securities	<i>Level 1</i>	14,753,390	14,753,390	10,670,011	10,670,011
Receivables	<i>Amortized Cost</i>	4,738,726	4,738,726	956,104	956,104
Accounts payable and accrued liabilities	<i>Amortized Cost</i>	(50,700,634)	(50,700,634)	(60,487,577)	(60,487,577)
Lease liability	<i>Amortized Cost</i>	(4,222,076)	(4,222,076)	(1,387,948)	(1,387,948)
Debt	<i>Amortized Cost</i>	(229,891,287)	(229,891,287)	(206,953,337)	(206,953,337)
Fair value of derivative instruments	<i>Level 2</i>	(24,693,294)	(24,693,294)	(18,873,989)	(18,873,989)

The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Estimation of fair values

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table:

Restricted cash / Securities in listed entities (financial assets at fair value through profit or loss)

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Derivative instruments

The fair value of these derivatives is determined using a valuation model that incorporates such factors as metal prices, metal price volatility, risk-free interest rate and expiry date.

(c) 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 being utilized. 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 and debt may be adversely impacted by fluctuations in foreign exchange. The Company does not currently undertake currency hedging activities.