

VICTORIA GOLD CORP.

(an exploration and development stage company)

Notes to the Consolidated Financial Statements for the years ended February 28, 2011 and February 28, 2010



(an exploration and development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

Years ended February 28, 2011 and 2010

(expressed in Canadian dollars)

(See accompanying notes to consolidated financial statements)

VICTORIA GOLD CORP.

(an exploration and development stage company)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying consolidated financial statements and all other financial information included in this report is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian GAAP. Financial statements include certain amounts based on estimates and judgements. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, consistent with reasonable cost, 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 fulfils 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 and the external auditors to review the auditors' report and the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

The consolidated financial statements have been audited, on behalf of the shareholders, by the Company's independent auditors, PricewaterhouseCoopers LLP, in accordance with Canadian generally accepted auditing standards.

(signed) "John McConnell"
Director, President and CEO
June 24, 2011

(signed) "Marty Rendall"
CFO
June 24, 2011

June 24, 2011

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Independent Auditor's Report

To the Shareholders of Victoria Gold Corp.

We have audited the accompanying consolidated financial statements of Victoria Gold Corp. (the Company) and its subsidiaries, which comprise the consolidated balance sheets as at February 28, 2011 and 2010 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the years then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at February 28, 2011 and 2010 and the results of their operations and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

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**CONSOLIDATED BALANCE SHEETS
AS AT FEBRUARY 28, 2011 AND 2010**

(expressed in Canadian dollars)

	As at February 28 2011	As at February 28 2010
ASSETS		
Current		
Cash and cash equivalents	\$ 25,666,536	\$ 19,846,495
Restricted cash (Note 15a)	718,970	826,389
Marketable securities (Note 4)	162,850	473,002
HST and other receivables	696,922	276,192
Prepaid expenses	567,586	191,849
	27,812,864	21,613,927
Non-current		
Investment in Takara Resources Inc. (Note 5)	2,859,887	-
Property and equipment (Note 8)	5,460,467	975,441
Resource properties (Note 7)	70,685,263	53,241,098
	\$ 106,818,481	\$ 75,830,466
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,300,914	\$ 4,034,846
Current portion of Asset retirement obligations ("ARO") (Note 9)	22,558	24,381
	2,323,472	4,059,227
Non-current		
ARO (Note 9)	1,001,787	719,765
	3,325,259	4,778,992
SHAREHOLDERS' EQUITY		
Capital stock (Note 10)		
Authorized		
Unlimited number of common shares, without par value		
Issued		
Common shares	123,875,070	89,376,881
Value assigned to stock and agent options and share purchase warrants (Note 11)	9,540,337	9,039,932
Deficit	(29,922,185)	(27,365,339)
	103,493,222	71,051,474
	\$ 106,818,481	\$ 75,830,466
Going concern (Note 1)		
Approved on behalf of the Board	<u> "T. Sean Harvey" </u> Director	<u> "Hugh Agro" </u> Director

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**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE
LOSS AND DEFICIT****FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010**

(expressed in Canadian dollars)

	<u>2011</u>	<u>2010</u>
Expenses		
Stock-based compensation (Note 11)	\$ 982,472	\$ 462,180
Salaries, benefits and directors fees	1,399,548	2,092,017
Office and administrative	588,332	560,007
Consulting	144,193	303,577
Marketing	394,744	450,577
Legal and accounting	404,313	537,529
Interest and bank charges	21,356	20,447
Amortization	56,691	151,169
Resource property costs and impairments (Note 7)	2,761	2,104,534
	<u>3,994,410</u>	<u>6,682,037</u>
Loss before the undernoted expenses (income)	3,994,410	6,682,037
Foreign exchange loss	314,761	509,640
Share of net loss of equity investment	443,284	-
Loss/(gain) on fair value of marketable securities	4,577	808
Loss/(gain) on sale of marketable securities	(18,788)	-
Loss/(gain) on disposal of mineral properties	(902,292)	346,962
Loss/(gain) on joint venture investment	-	(206,824)
Interest income	(188,532)	(61,988)
Net loss before taxes	3,647,420	7,270,635
Income tax recovery (Note 18)	(1,090,574)	(1,070,433)
Net loss and comprehensive loss for the period	2,556,846	6,200,202
Deficit, beginning of year	27,365,339	21,165,137
Deficit, end of year	\$ 29,922,185	\$ 27,365,339
Basic and diluted Loss per common share	\$ 0.010	\$ 0.033
Weighted average number of common shares outstanding	254,418,707	188,199,347

Going concern (Note 1)

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010
(expressed in Canadian dollars)**

	<u>2011</u>	<u>2010</u>
Operating activities		
Net loss for the period	\$ (2,556,846)	\$ (6,200,202)
Items not affecting cash:		
Resource property impairments	2,761	2,104,534
Stock-based compensation (<i>Note 11</i>)	982,472	462,180
Income tax recovery	(1,090,574)	(1,070,433)
Expenses settled with shares	-	66,000
Accretion expense of ARO	34,470	11,239
Loss/(gain) on fair value of marketable securities	4,577	808
Loss/(gain) on joint venture investment	-	(206,824)
Share of net loss of equity investment	443,284	-
Amortization	56,691	151,169
Loss on disposal of assets	-	40,472
Net, unrealized, foreign exchange loss (gain)	403,276	421,075
(Gain)/loss on sale of property	(902,292)	323,171
Changes in non-cash working capital:		
HST and other receivables	(478,287)	(104,430)
Marketable securities	274,075	(391,194)
Prepaid expenses	19,835	56,916
Accounts payable	(533,722)	668,480
	<u>(3,340,280)</u>	<u>(3,667,039)</u>
Financing activities		
Shares issued for cash, net of issuance costs	30,760,454	24,696,138
Exercise of warrants and options	3,653,708	5,791,135
	<u>34,414,162</u>	<u>30,487,273</u>
Investing activities		
Resource properties	(19,869,031)	(10,566,207)
Restricted cash	(46,854)	54,116
Purchase of capital assets	(5,088,953)	-
Acquisition of StrataGold (<i>Note 6</i>)	-	(958,560)
	<u>(25,004,838)</u>	<u>(11,470,651)</u>
Unrealized foreign exchange loss on cash and cash equivalents	(249,003)	(248,439)
Increase in cash and cash equivalents	5,820,041	15,101,144
Cash and cash equivalents, beginning of year	19,846,495	4,745,351
Cash and cash equivalents, end of year	\$ 25,666,536	\$ 19,846,495

Supplementary cash flow information (*Note 12*)

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1 Nature of operations and going concern

Victoria is engaged in the acquisition, evaluation, exploration and development of resource properties. To date, the Company has not realized any revenues from its properties and is considered to be an exploration and development stage company.

The recoverability of the amounts shown for resource properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of these assets. The amounts shown as resource property costs represent incurred costs to date and do not necessarily represent present or future values.

At February 28, 2011, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of \$25,489,392 (compared with a surplus of \$17,554,700 at February 28, 2010), reported a net loss of \$2,556,846 (2010 - \$6,200,202) and cumulative deficit of \$29,922,185 (\$27,365,339 at February 28, 2010). The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. The Company periodically seeks financing to continue the exploration and development of its resource properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date (See Note 10), there can be no assurances that additional funding will be available in the future. These combined factors lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimately appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements have been prepared using Canadian Generally Accepted Accounting Principles ("GAAP") applicable to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations as they come due for the foreseeable future. These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2 Basis of presentation

These consolidated financial statements include the accounts of Victoria and its wholly-owned subsidiaries including:

- Victoria Resources (U.S.) Inc., a Nevada corporation,
- Gateway Gold Corp., a British Columbia corporation,
- Gateway Gold (USA) Corp., a Nevada corporation,
- StrataGold Corporation, a British Columbia corporation,
- StrataGold (Barbados) Corporation, a Barbados corporation, and
- Tassawini Gold (Barbados) Corporation, a Barbados corporation.

Gateway Gold Corp. and Gateway Gold (USA) Corp. (together referred to as "Gateway") were acquired by the Company on December 18, 2008.

StrataGold Corporation, StrataGold (Barbados) Corporation, Tassawini Gold (Barbados) Corporation and StrataGold Guyana Inc. (together referred to as "StrataGold") were acquired by the Company on June 4, 2009. StrataGold Guyana Inc., the entity which held all of the Company's Guyana assets, was sold to Takara Resources Inc. on April 23, 2010 (Note 5).

All inter-company balances and transactions have been eliminated.

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3 Summary of significant accounting policies and basis of presentation

Use of estimates

The preparation of these consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assessment of the carrying value of resource properties, valuation of stock options and share purchase warrants and asset retirement obligations. Actual results could differ from those estimates.

Financial instruments

Financial instruments have been classified into one of the following categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Financial instruments are measured as stated below.

Cash and cash equivalents

Cash and cash equivalents include cash and liquid money market instruments that have a maturity of three months or less.

Restricted cash

Restricted cash includes reclamation bonds held by the Nevada Bureau of Land Management, Newmont Mining Corporation and a major bank in the United States. The cash will be returned to the Company upon successful completion of reclamation at our various properties in Nevada.

Marketable securities

The Company accounts for its marketable securities as financial instruments "held-for-trading". Financial assets and financial liabilities classified as "held-for-trading" are measured at fair value with changes in fair value recorded in net earnings/(loss) in the period in which they are incurred.

Accounts payable and accrued liabilities

The Company classified accounts payable and accrued liabilities as other financial liabilities. Other financial liabilities are measured at amortized cost.

Resource properties

Mineral acquisition, exploration and development costs are capitalized on an individual project basis until such time as the economics of an ore body are defined. If production commences, these costs would be amortized on a units of production basis over the estimated mineral reserves. Unrecoverable costs for projects determined to be commercially not feasible are expensed in the year in which the determination is made or when the carrying value of the project is determined to be impaired.

Where information is available and conditions suggest impairment, estimated future net cash flows from each property are calculated using estimated future prices, proven and probable reserves, and operating and capital costs on an undiscounted basis. An impairment charge is recorded if the undiscounted future net cash flows are less than the carrying amount. Reductions in the carrying value of each property, with a corresponding charge to operations, are recorded to the extent that the estimated future net cash flows on a discounted basis are less than the carrying value in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-lived Assets".

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered. Any one of the following items, including but not limited to, are considered cause for impairment:

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- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the future;
- Lease ownership rights expire;
- Sufficient funding is not expected to be available to complete the mineral exploration program; or
- An exploration property has no material economic value to the Company's business plan.

If impairment is identified, the carrying value of the property is written down to its estimated fair value. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided over the related asset's estimated useful life using the declining-balance or straight-line method as follows:

- Furniture and fixtures – 20% declining balance;
- Computer equipment – 30% declining balance;
- Field equipment – 20% declining balance;
- Automotive equipment – 30% declining balance;
- Leasehold improvements – straight-line over the term of the lease (five years).

Assets under construction are capitalised as a separate component of property and equipment. On completion, the cost of construction is transferred to the appropriate category. Assets under construction are not amortized. Amortization commences on the date when the assets are available for use.

Future income taxes

The Company uses the liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Foreign exchange translation

The Company's US and Barbados subsidiaries are integrated foreign operations and their financial statements are translated using the temporal method. Currency transactions and balances are translated into the reporting currency as follows:

- monetary items are translated at the rates prevailing at the balance sheet dates;
- non-monetary items are translated at historical rates;
- revenues and expenses are translated at the average rates in effect during applicable accounting periods except depreciation and amortization, which are translated at historical rates; and
- exchange gains and losses on foreign currency translation are included in operations for the year.

Stock-based compensation

Compensation expense for stock options granted is determined based on the estimated fair values of the stock options at the time of grant, the cost of which is recognized over the vesting periods of the respective options. In the determination of fair values, the Company uses the Black-Scholes option pricing model. Fair values are determined at the time of grant. The value of stock options earned by

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employees and consultants whose salaries are capitalized to resource properties are also capitalized to resource properties.

Asset retirement obligations

The fair values of liabilities for asset retirement obligations are recognized in the period they are incurred. The obligations are measured initially at fair value based on discounted cash flows and the resulting costs are capitalized to the carrying amount of the related asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost will be depreciated on the same basis as the related asset.

Flow-through financing

Victoria has financed a portion of its exploration activities through the issuance of flow-through shares which transfer the tax deductibility of expenditures to the investor. Proceeds received on the issue of flow-through shares are credited to share capital, and the related costs are charged to operations or mineral properties and deferred costs as incurred. Victoria records future income tax liabilities relating to the flow-through shares upon renunciation of the related income tax deductions in the accounting period in which such renunciations are filed.

Loss per common share

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the year. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds from the exercise of options and warrants would be used to purchase common shares at the average market price during the year. The weighted average number of common shares outstanding is adjusted for the net increase in the number of common shares issued upon exercise of the options and warrants. Stock options and warrants are included in the calculation of diluted per share amounts only to the extent that the average market price of the common shares during the year exceeds the exercise price of the options or warrants. During years when the Company has generated a loss, the potential shares to be issued from the assumed exercise of options and warrants are not included in the computation of diluted per share amounts since the result would be anti-dilutive.

Recent Accounting Pronouncements

The Company will cease to prepare its consolidated financial statements in accordance with Canadian GAAP as set out in Part V of the CICA Handbook – Accounting (“Canadian GAAP”) for the periods beginning on March 1, 2011 when it will start to apply International Financial Reporting Standards as published by the International Accounting Standards Board. Consequently, future accounting changes to Canadian GAAP are not discussed in these consolidated financial statements as they will not be adopted by the Company.

4 Marketable securities

	Market Values	
	As at Feb. 28, 2011	As at Feb. 28, 2010
Marketable securities	<u>\$ 162,850</u>	<u>\$ 473,002</u>

The change in marketable securities is the result of purchases and sales of securities and changes in fair market value.

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5 Investment in Takara Resources Inc.

	As at February 28, 2011	As at February 28, 2010
Takara Resources Inc. – 22,208,355 common shares	\$ 3,303,171	\$ -
Share of net loss of equity investment	(443,284)	
	\$ 2,859,887	\$ -

On April 23, 2010, the Company completed a transaction with Takara Resources Inc. (“Takara”) to sell all of the issued and outstanding shares of StrataGold Guyana Inc., which were held by Tassawini Gold (Barbados), a wholly owned subsidiary of the Company.

Pursuant to this transaction, Takara issued 21,858,355 of its common shares to Victoria. The shares were subject to a 4-month hold period and will be held in escrow to be released as follows: 10% on issuance of the TSX Venture Exchange bulletin and 15% every six months thereafter for a period of three years. During the year ended February 28, 2011, 25% of the shares have been released from escrow. Victoria is restricted, subject to Takara Board approval, from trading, on any one day, more than 25% of Takara’s daily trading volume based on a 30-day average. Prior to closing, Victoria held 350,000 shares of Takara and thus, upon completion of this transaction, Victoria held 22,208,355 of Takara’s issued and outstanding shares, with a carrying value of \$3,303,171.

At February 28, 2011, the Company held 25% of the issued and outstanding shares of Takara. The Company accounts for its investment in Takara using the equity method of accounting. At February 28, 2011, the Takara shares had a quoted market value of \$4,663,755.

Victoria will be issued a further 4,000,000 shares, valued at market price as at the date immediately preceding issuance, if one of the following are met:

a) completion of a positive preliminary economic assessment (or other similar report) on any of the assets of StrataGold Guyana held at closing; or

b) approval by the board of directors of Takara of an engagement letter or other agreement (including any letter of intent), or a resolution of the board of directors of Takara with respect to any arrangements generally, providing for production or project development financing in respect of any of the assets of StrataGold Guyana held at closing.

6 Acquisition of StrataGold Corporation.

Victoria completed the acquisition of StrataGold Corporation (“StrataGold”), by way of Plan of Arrangement (the “StrataGold Arrangement”), which was approved by the Supreme Court of British Columbia on May 29, 2009, with an effective closing date of June 4, 2009. Pursuant to the StrataGold Arrangement, holders of StrataGold shares were entitled to receive 0.1249 of a Victoria common share for each StrataGold common share held. All outstanding StrataGold options and warrants became exercisable for common shares of Victoria in accordance with the same ratio.

In consideration for the acquisition of StrataGold, the Company issued 23,000,709 common shares to shareholders of StrataGold, representing approximately \$10.4 million in total value.

For accounting purposes, the measurement of the purchase consideration in the consolidated financial statement information is based on the closing market price of Victoria common shares on the effective closing date, which equates to \$0.45 per each Victoria share for the StrataGold acquisition.

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Each StrataGold warrant or stock option which gave the holder the right to acquire shares in the common stock of StrataGold when presented for execution was exchanged for a warrant or stock option which will give the holder the right to acquire shares in the common stock of Victoria on the same basis as the exchange of StrataGold's common shares for Victoria common shares. These warrants and options have been included in the purchase consideration at their fair value of approximately \$0.1 million based on the Black-Scholes pricing model.

The principal assumptions used in applying the Black-Scholes option-pricing model were as follows:

Risk-free interest rate	1.20%
Dividend yield	Nil
Volatility factor – options	109%
Volatility factor - warrants	99%
Expected life - options	3.08 years
Expected life - warrants	0.58 years

The purchase price allocation is summarized as follows:

	Cash Flow Impact	Purchase Price Allocation
Common shares of Victoria issued on acquisition		\$ 10,350,320
Stock options to be exchanged for options of Victoria		109,607
Share purchase warrants to exchanged for warrants of Victoria		10,528
Cash advance to StrataGold under loan agreement (1)	\$ (878,170)	902,443
Acquisition costs	(366,044)	366,044
	\$ (1,244,214)	\$ 11,738,942
Net assets acquired:		
Cash and cash equivalents	\$ 243,408	\$ 243,408
Accounts receivable		97,043
Investments		81,000
Prepaid expenses		69,347
Property and equipment		838,290
Acquired resource property interests (<i>Note 7</i>)		11,384,344
Accounts payable and accrued liabilities		(974,490)
	\$ (1,000,806)	\$ 11,738,942

(1) The loan includes a cash advance of \$878,170 and accrued interest through to the effective date of \$24,273.

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7 Resource properties**RESOURCE PROPERTY EXPENDITURE TABLES**

Details of additions and impairments for the year ended February 28, 2011 and cumulative expenditures as at February 28, 2011 are as follows:

Properties Cdn \$	Cost as at Feb. 28, '10	for the year ended February 28, 2011			Cumulative Expenditures as at Feb. 28, '11
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Mill Canyon (Nevada)	12,219,932	167,990	-	167,990	12,387,922
Relief Canyon (Nevada)	1,833,827	105,386	-	105,386	1,939,213
Cove (Nevada)	12,506,930	2,687,073	-	2,687,073	15,194,003
*Big Springs (Nevada)	5,926,975	1,132,402	-	1,132,402	7,059,377
Santa Fe (Nevada)	2,641,510	1,658,366	-	1,658,366	4,299,876
Dublin Gulch (Yukon)	16,130,406	13,242,536	-	13,242,536	29,372,942
**Tassawini (Guyana)	860,978	100,391	(961,369)	(860,978)	-
**BRL Venture (Guyana)	705,180	93,613	(798,793)	(705,180)	-
***Other properties	415,360	19,331	(2,761)	16,570	431,930
Total	53,241,098	19,207,088	(1,762,923)	17,444,165	70,685,263

* Big Springs includes the Golden Dome, Island Mountain, Dorsey Creek and Mac Ridge properties.

** Tassawini and BRL Venture properties were sold to Takara Resources Inc. on April 23, 2010 for shares. The excess of the proceeds over the carrying value from the sale was accounted for as a Gain on Sale of property (Note 5).

*** Other properties include Wattabaeg and Russell Creek in Ontario and Donjek, Aurex, Eureka, Canalask, Clear Creek and Hyland in Yukon Territory and Jack Creek in Nevada.

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Details of additions and impairments for the year ended February 28, 2010 and cumulative expenditures as at February 28, 2010 are as follows:

Properties, Nevada, USA Cdn \$	Cost as at Feb. 28, '09	for the year ended Feb. 28, 2010			Cumulative Expenditures as at Feb. 28, '10
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Mill Canyon	12,122,432	97,500	-	97,500	12,219,932
Hilltop-Slaven	-	79,792	(79,792)	-	-
Black Canyon*	-	27,777	(27,777)	-	-
Relief Canyon	1,773,677	60,150	-	60,150	1,833,827
Cove	10,726,094	1,780,836	-	1,780,836	12,506,930
Seven Troughs	-	11,968	(11,968)	-	-
Summit	996,028	545,625	(1,541,653)	(996,028)	-
Big Springs	3,304,617	821,272	-	821,272	4,125,889
Golden Dome	982,208	138,758	-	138,758	1,120,966
Island Mountain	788	24,287	-	24,287	25,075
Dorsey Creek	5,610	39,724	-	39,724	45,334
Mac Ridge	531,232	78,480	-	78,480	609,712
Jack Creek	670	24,557	-	24,557	25,227
Carlin East	274,031	46,744	(320,775)	(274,031)	-
Toiyabe	23,439	11,030	(34,469)	(23,439)	-
Santa Fe	252,156	2,389,354	-	2,389,354	2,641,510
Total	30,992,983	6,177,854	(2,016,434)	4,161,420	35,154,402

* Black Canyon includes the 4th of July property

Properties Acquired from StrataGold Cdn \$	Cost as at June 4, '09	for the period from June 4, 2009 through February 28, 2010			Cumulative Expenditures as at Feb. 28, '10
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Dublin Gulch (Canada)	9,384,344	6,746,062	-	6,746,062	16,130,406
Tassawini (Guyana)	500,000	360,978	-	360,978	860,978
BRL Venture (Guyana)	500,000	293,280	(88,100)	205,180	705,180
Kaituma (Guyana)	500,000	3,488	(503,488)*	(500,000)	-
Other properties (Canada)	500,000	(109,868)**	-	(109,868)	390,132
Total	11,384,344	7,293,940	(591,588)	6,702,352	18,086,696
Total	42,377,327	13,471,794	(2,608,022)**	10,863,772	53,241,098

*Kaituma Impairment/Sale includes \$180,318 proceeds from sale and \$323,170 loss on sale.

**Impairments/Sale excluding Kaituma is \$2,104,534.

***This includes cash and shares received from joint venture partners on optioned properties.

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Cove, Nevada

On June 15, 2006, the Company entered into a "Minerals Lease and Agreement" to lease a portion of the Cove Mine project, located in north-central Nevada, from Newmont Mining Corporation ("Newmont"). Under the terms of the agreement, the Company was subject to yearly work commitments in the cumulative aggregate amount of US\$8.5 million. The Company has completed the entire US\$8.5 million work commitment. Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study, as defined in the agreement, for a minimum of 500,000 ounces of gold resources. Upon delivery of such a study, Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. In order to acquire the 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred by the Company on the Cove property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, Victoria will pay a US\$1.5 million cash payment to acquire Newmont's remaining rights to the project and will grant Newmont a net smelter return royalty ("NSR") of 5%, inclusive of any other royalties that apply to the property or portions of the property.

Mill Canyon, Nevada

On May 13, 2003, the Company entered into a Purchase Agreement (amended on May 14, 2003 and on June 14, 2004) with Newmont, to acquire a 100% interest in the Mill Canyon property. In 2005, the Company earned its 100% interest by completing all of the required payments and exploration expenditures as per the amended Purchase Agreement (which consisted of paying US\$300,000 in cash, issuing 500,000 common shares to Newmont and incurring US\$5 million of qualified exploration expenditures). Newmont retains a 3.5% net smelter return royalty ("NSR") and has a back-in right to earn a 50% interest in the property. On February 14, 2005, the Company delivered an Option Notice to Newmont. As a result, Newmont has an option ("Joint Venture Option") to enter into a joint venture with respect to the Mill Canyon property. In the event that Newmont elects to exercise the Joint Venture Option, this election is to occur no later than 60 days after delivery of a positive feasibility study as defined in the agreement. At that time each party would be subject to normal joint venture dilution provisions and the NSR would be eliminated. In order to acquire a 50% interest, Newmont is required to solely fund all joint venture expenditures up to an amount equal to 250% of the expenditures incurred by the Company on the Mill Canyon property from June 15, 2003 to the effective date of the joint venture agreement. Upon completion of such earn-in by Newmont, both the Company and Newmont shall be required to fund all future joint venture expenditures in proportion to their participating interest, with Newmont being the operator.

Relief Canyon, Nevada

On June 15, 2006, the Company entered into a "Minerals Lease and Sublease Agreement" to lease the Relief Canyon property from Newmont. Under the terms of the lease, the Company will be subject to yearly work commitments that total US\$3.6 million over a period of 7 years (consisting of US\$150,000 (completed), US\$250,000 (completed), US\$350,000 (completed), US\$500,000 (completed), US\$600,000, US\$750,000, US\$1,000,000, respectively, in each year of the first seven years of the agreement dated June 15, 2006, of which US\$400,000 was a firm obligation and must be expended by June 15, 2008 (completed). Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study as defined in the agreement. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont 49% Victoria joint venture with Newmont as operator. In order to acquire a 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred by the Company on the Relief Canyon property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, the Company is required to make a US\$1.5 million cash payment to acquire Newmont's remaining rights to the project and will grant Newmont a sliding scale NSR of up to 5% based on the price of gold, less any underlying royalties, but subject to a minimum of 2%. Two pre-existing royalties exist, one of which would increase the total

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royalty to 5.5%, but which covers a single, partial section away from the existing mine. All other sections and unpatented claims are subject to a maximum 5% NSR.

Big Springs, Nevada

By an agreement dated December 23, 2002, the Company purchased a 100% interest in the Big Springs mineral claims located in the Jerritt Canyon area of Nevada, USA. During 2007, the Company issued the final tranche of 100,000 shares to the vendor, completing the issuance of a total of 500,000 shares as required by the agreement. The majority of the claims forming the property are subject to net smelter return royalties of 2% to 3%. Beginning on the seventh anniversary of the agreement the Company must pay annual advance royalty payments of \$100,000. Advance royalty payments were made on December 23, 2009 and December 23, 2010.

Santa Fe, Nevada

On May 21, 2008 the Company entered into an agreement with Homestake Mining Company of California, a subsidiary of Barrick Gold of North America. The Company has the right to earn a 60% interest in the Santa Fe property by spending US\$5,000,000 over five years (US\$2,050,000 of which must, and has been, incurred by 31 December 2010) and an additional 10% by spending an additional US\$1,500,000 in the sixth year.

Dublin Gulch, Yukon Territory

The Dublin Gulch property was acquired by StrataGold on December 2, 2004 and StrataGold was purchased by Victoria on June 4, 2009. The property is located 85 km north of the village of Mayo in the Yukon Territory, Canada.

The property is subject to the following three royalties, which arise from underlying agreements:

1. with respect to a portion of the property, historically known as the Mar Gold Zone, an annual royalty payment of \$20,000 or payment of 2% of gross returns received from the sale of all metals produced from the claims, whichever is greater, to a maximum of \$1,000,000, after which the royalty reverts to 1% of the said gross returns,
2. with respect to the 36 claims on the Lynx Zone, a 1½% NSR royalty with annual advance royalty payments of \$15,000; and
3. with respect to the 63 claims and leases known as the Mar Tungsten Leases, a 1% NSR royalty.

Other Properties, Canada

Other properties in the Yukon include Clear Creek, Hyland, Canalask and Donjek and in Ontario the Russell Creek and Watabeag properties. The Company also retains a 1% NSR royalty on the Eureka property in the Yukon and a 1.5% NSR royalty, 0.375% of which can be repurchased for US\$625,000, on the Kaituma property in Guyana

The Clear Creek property is subject to an Option Agreement, dated December 31, 2009, with Golden Predator Royalty & Development Company ("Golden Predator"). Golden Predator can earn a 100% interest in the Clear Creek property by making cash payments of \$1,050,000, issuing 1,050,000 Golden Predator shares to Victoria and incurring \$3,000,000 in exploration expenditures on the property. Victoria will retain a 3% NSR royalty with Golden Predator having the right to buy back 1% of the NSR royalty for \$1,000,000.

The Hyland property is subject to an Option Agreement, dated December 7, 2009, with Argus Metals Corp. ("Argus"). Argus can earn a 100% interest in the Hyland property by making cash payments of \$175,000, issuing 800,000 Argus shares to Victoria and incurring \$2,250,000 in exploration expenditures on the property. Victoria will retain a 2.5% Net Smelter Returns ("NSR") royalty on the

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property less any existing royalties. Argus has the right to buy back the equivalent of 1.5% of the NSR royalty for \$1,000,000.

8 Property and Equipment

	Original Cost	Accumulated Amortization	Feb. 28, 2011 Net Cost
Furniture and fixtures	\$ 15,128	\$ 4,891	\$ 10,237
Computer equipment	90,222	25,623	64,599
Assets under construction	5,023,380	-	5,023,380
Field equipment	79,180	40,557	38,623
Automotive equipment	25,097	9,324	15,773
Land	307,855	-	307,855
	\$ 5,540,862	\$ 80,395	\$ 5,460,467

Original Cost is based on the fair value of property and equipment purchased by Victoria on the closing date of June 4, 2009 for StrataGold (see Note 6) and has fallen since Feb. 28, 2010 due to the sale of the Guyana subsidiary (see Note 5), which held \$549,231 net property and equipment.

Assets under construction consist of the all-season camp located at Dublin Gulch.

	Original Cost	Accumulated Amortization	Feb. 28, 2010 Net Cost
Furniture and fixtures	\$ 55,097	\$ 7,743	\$ 47,354
Computer equipment	72,332	12,739	59,593
Field equipment	633,617	81,094	552,523
Automotive equipment	12,397	4,281	8,116
Land	307,855	-	307,855
	\$ 1,081,298	\$ 105,857	\$ 975,441

9 Asset Retirement Obligations

	Year Ended February 28, 2011	Year Ended February 28, 2010
Balance, beginning of the year	\$ 744,146	\$ 219,208
Obligations incurred during the year	-	-
Accretion expense	34,470	11,239
Adjustment of estimated cash flows to carrying value of assets	245,729	513,699
Balance, end of year	\$ 1,024,345	\$ 744,146
Less: current portion	(22,558)	(24,381)
Non-current portion	\$ 1,001,787	\$ 719,765

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Mill Canyon, Hilltop, Black Canyon, Relief Canyon, Cove, Big Springs, Dorsey Creek, Mac Ridge, Golden Dome and Dublin Gulch properties. The total undiscounted amount of the estimated future cash flows required to settle the asset retirement obligation is estimated to be \$1,415,539. These expenditures are expected to be incurred over the

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period 2011 through 2025. In determining the carrying value of the asset retirement obligations, the Company has assumed a credit-adjusted, risk-free discount rate of 5.0% and a long-term inflation rate of 2.0%.

10 Share capital**Capital Stock**

	Year ended February 28, 2011		Year ended February 28, 2010	
	Shares	Amount	Shares	Amount
Balance, beginning of year	225,166,505	\$ 89,376,881	134,199,069	\$ 49,080,376
Issued during the period				
For cash:				
- Stock options exercised	2,172,000	1,085,825	379,875	139,969
- Warrants exercised	4,177,950	2,480,895	14,431,250	4,774,010
- Agent options exercised	193,307	86,988	2,291,224	877,156
- Equity financings	45,212,500	33,083,750	50,664,378	27,084,684
For debt	-	-	200,000	66,000
For acquisition:				
- StrataGold Corp.	-	-	23,000,709	10,350,320
Fair values assigned to warrants issued under private placements	-	-	-	(2,194,605)
Fair values allocated to common shares upon exercise:				
Stock options	-	583,837	-	81,085
Warrants	-	563,205	-	1,733,577
Agent options	-	27,559	-	297,728
Share issuance costs	-	(2,323,296)	-	(2,412,674)
Flow-through tax benefits renounced	-	(1,090,574)	-	(500,745)
Balance, end of period	276,922,262	\$123,875,070	225,166,505	\$ 89,376,881

On August 24, 2010, the Company closed a brokered agreement with a syndicate of underwriters led by GMP Securities L.P. and including Cormark Securities Inc., Wellington West Capital Markets Inc., NCP Northland Capital Partners Inc., Paradigm Capital Inc., Raymond James Ltd., RBC Capital Markets and Scotia Capital Inc. (collectively, the "Underwriters"), of 41,112,500 common shares of the Company at a price of C\$0.70 per Share, for aggregate gross proceeds of C\$28,778,750 (the "Offering"). Kinross Gold Corporation purchased 6,000,000 shares of the Offering and held a 19.1% interest in the Company as at August 24, 2010. The Underwriters received a cash commission equal 5.5% of the gross proceeds from the sale of the Offering.

On April 20, 2010, the Company closed a non-brokered private placement flow-through offering (the "Offering") raising gross proceeds of approximately \$4.3 million, representing the issuance of 4,100,000 common shares priced at \$1.05 per share. Finders' fees of \$225,500 were paid in conjunction with the Offering. The flow-through shares were subject to a four-month hold period, which has since expired.

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On November 24, 2009, the Company closed a brokered agreement of 23,809,522 special warrants ("Special Warrants"), priced at \$0.63 per Special Warrant, for gross proceeds of \$14,999,999 (the "Offering"). Each Special Warrant was exercisable into one common share of the Company (a "Common Share"). The Company obtained a receipt for a final prospectus on January 26, 2010, which qualified the distribution of the Common Shares issuable upon exercise of the Special Warrants. Kinross Gold Corporation ("Kinross") purchased 3,174,603 Special Warrants of the Offering and, after conversion of the Special Warrants into Common Shares, held a 21% interest in the Company as at November 24, 2009. Raymond James Limited, led a syndicate of underwriters Agents in connection with the Offering and received a cash commission equal to 6% of the gross proceeds from the sale of the Offering.

On August 6, 2009, the Company closed a brokered private placement of 4,231,055 flow-through common shares priced at \$0.45 each, for gross proceeds of \$1.9 million (the "Offering"). The Company has renounced the income tax deductions related to the Offering. Sandfire Securities Inc. (the "Agent") acted as agent and received a cash commission equal to 7% of the gross proceeds from the sale of the Offering. The Agent was also issued broker warrants to purchase 285,285 common shares of the Company at a price of 0.45 per common share until August 6, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on December 12, 2009.

On June 4, 2009, the Company completed the acquisition of StrataGold by way of Plan of Arrangement. Pursuant to the Arrangement, holders of StrataGold shares were entitled to receive 0.1249 of a Victoria common share for each StrataGold common share held totalling 23,000,709 common shares to shareholders of StrataGold.

On May 1, 2009, the Company issued 200,000 shares to a consultant of the Company to settle an outstanding debt.

On March 13, 2009, the Company closed a brokered private placement of 15,832,000 Units and 6,791,800 Subscription Receipts priced at \$0.45 each, for gross proceeds of \$10.2 million (the "Offering"). Each Unit "Unit" consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at a price of \$0.55 until March 13, 2012. Each Subscription Receipt converted, upon satisfaction of certain escrow release conditions, into one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "SR Warrant"). Each SR Warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.55 until March 13, 2011. The escrow release conditions included the completion by the Company of the acquisition of StrataGold Corporation ("StrataGold") announced on February 11, 2009 (the "StrataGold Acquisition") and were fully met in June 2009. Wellington West Capital Markets Inc. led a syndicate including Raymond James Ltd., Haywood Securities Inc. and M. Partners (together, the "Agents") in connection with the Offering. As compensation for services rendered in connection with the Offering, the Agents were paid a cash commission equal to 7% of the gross proceeds from the sale of Units and Subscription. The Agents were also issued broker warrants to purchase 1,583,666 common shares of the Company at a price of \$0.45 per common share until March 13, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on July 13, 2009.

11 Stock options and warrants

Stock options

The Company has adopted a stock option plan for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. One-eighth of options granted under the plan vest immediately; a further one-eighth vest after each three month period thereafter, with the final one-quarter vesting eighteen months from the date of grant. At February 28, 2011, 12,352,886 (9,101,525 as at February 28, 2010) additional stock options were available for grant under the Company's stock option plan.

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On February 9, 2011, the Company granted 2,725,000 incentive stock options with an exercise price of \$1.05 per option to employees of the Company. The stock options have a term of five years and expire on February 9, 2016. The fair value of these options totalling \$1,602,943 will be recognized (\$1,084,195 expensed and \$518,748 capitalized to resource properties) over the vesting periods, of which \$375,098 has been recognized (\$253,714 expensed and \$121,384 capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.14%, an expected life of 4.5 years, an expected volatility of 97% and a dividend yield rate of nil. This results in an estimated value of \$0.59 per option at the grant date using the Black-Scholes option-pricing model.

On October 8, 2010, the Company granted 530,000 incentive stock options with an exercise price of \$1.25 per option to employees of the Company. The stock options have a term of five years and expire on October 8, 2015. The fair value of these options totalling \$396,233 will be recognized (\$106,983 expensed and \$289,250 capitalized to resource properties) over the vesting periods, of which \$232,512 has been recognized (\$62,778 expensed and \$169,734 capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 1.78%, an expected life of 3 years, an expected volatility of 101% and a dividend yield rate of nil. This results in an estimated value of \$0.75 per option at the grant date using the Black-Scholes option-pricing model.

On December 18, 2009, the Company granted 3,210,000 incentive stock options with an exercise price of \$0.70 per option to directors, officers and employees of the Company. 222,500 of these options were forfeited as at November 30, 2010. The stock options have a term of five years and expire on December 18, 2014. The fair value of these options totalling \$1,338,998 will be recognized (\$796,010 expensed and \$542,988 capitalized to resource properties) over the vesting periods, of which \$1,257,388 has been recognized (\$748,678 expensed and \$508,710 capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 4.4 years, an expected volatility of 101% and a dividend yield rate of nil. This results in an estimated value of \$0.45 per option at the grant date using the Black-Scholes option-pricing model.

On September 21, 2009, the Company granted 695,000 incentive stock options with an exercise price of \$0.38 per option to employees of the Company. The stock options have a term of five years and expire on September 21, 2014. The fair value of these options totalling \$189,344 will be recognized (\$177,214 expensed and \$12,130 capitalized to resource properties) over the vesting periods, of which \$181,377 has been recognized (\$177,214 expensed and \$4,163 capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.4%, an expected life of 4.8 years, an expected volatility of 100% and a dividend yield rate of nil. This results in an estimated value of \$0.27 per option at the grant date using the Black-Scholes option-pricing model.

On July 13, 2009, the Company granted 75,000 incentive stock options with an exercise price of \$0.36 per option to an employee of the Company. The stock options have a term of five years and expire on July 13, 2014. The fair value of these options totalling \$16,166 has been recognized (capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.22 per option at the grant date using the Black-Scholes option-pricing model.

On July 2, 2009, the Company granted 250,000 incentive stock options with an exercise price of \$0.40 per option to an employee of the Company. The stock options have a term of five years and expire on July 2, 2014. The fair value of these options totalling \$72,116 has been fully recognized (capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.31%, an expected life of 5.0 years, an expected volatility of 98% and a dividend yield

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rate of nil. This results in an estimated value of \$0.29 per option at the grant date using the Black-Scholes option-pricing model.

On June 4 2009, Victoria completed the acquisition of StrataGold by way of Plan of Arrangement. Pursuant to the Arrangement, holders of StrataGold shares were entitled to receive 0.1249 Victoria common shares for each StrataGold common share held. All outstanding StrataGold options and warrants became exercisable for common shares of Victoria in accordance with the same ratio resulting in the issuance of 1,064,148 Victoria options and 2,105,658 Victoria warrants.

On May 11, 2009, the Company granted 150,000 incentive stock options with an exercise price of \$0.32 per option to an employee of the Company. The stock options have a term of five years and expire on May 11, 2014. The fair value of these options, totalling \$30,481 has been fully recognized (\$7,133 expensed and \$23,348 capitalized to resource properties) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 0.9%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.20 per option at the grant date using the Black-Scholes option-pricing model.

On April 6, 2009, the Company granted 125,000 incentive stock options with an exercise price of \$0.45 per option to a consultant of the Company. The stock options have a term of three years and expire on April 6, 2012. The fair value of these options, totalling \$24,006 has been fully recognized as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 1.1%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.19 per option at the grant date using the Black-Scholes option-pricing model.

On December 17, 2008, the Company granted 3,105,000 incentive stock options with an exercise price of \$0.21 per option to directors, officers and employees of the Company. 112,500 of these options have been forfeited as at February 28, 2011. The stock options have a term of five years and expire on December 17, 2013. The fair value of these options totalling \$380,265 (\$272,157 expensed and \$108,108 capitalized to properties) has been fully recognized as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.1%, an expected life of 4.5 years, an expected volatility of 92% and a dividend yield rate of nil. This results in an estimated value of \$0.13 per option at the grant date using the Black-Scholes option-pricing model.

Option pricing models require the input of highly subjective assumptions. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options at the grant date.

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

	Number of outstanding options	Weighted- average exercise price	Fair value assigned (Cdn\$)
Stock options outstanding at Feb. 28, 2009	9,537,500	\$0.48	2,491,060
Granted – to Victoria employees	4,505,000	\$0.61	1,766,775
Granted – to replace StrataGold options	1,064,148	\$4.72	109,607
Exercised	(379,875)	\$0.38	(43,003)
Expired	(1,438,801)	\$2.59	(254,655)
Forfeited	(206,250)	\$0.46	(56,419)
Stock options outstanding at Feb. 28, 2010	13,081,722	\$0.64	4,013,365
Granted	3,255,000	\$1.08	1,999,176
Exercised	(2,172,000)	\$0.49	(583,837)
Expired	(184,882)	\$3.91	(21,112)
Forfeited	(197,500)	\$0.65	(82,533)
Stock options outstanding at Feb. 28, 2011	13,782,340	\$0.71	5,325,059

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Stock options outstanding and exercisable as at February 28, 2011 are as follows:

	Exercise price	Number of outstanding stock options	Expiry Date	Number of exercisable stock options
Granted by Victoria Gateway related	\$0.74	225,000	April 20, 2011	225,000
StrataGold related	\$0.60	37,500	May 30, 2011	37,500
StrataGold related	\$10.64	3,122	June 26, 2011	3,122
StrataGold related	\$10.08	10,616	December 14, 2011	10,616
StrataGold related	\$8.72	18,735	January 26, 2012	18,735
Gateway related	\$0.60	475,000	April 27, 2012	475,000
StrataGold related	\$5.04	3,123	May 2, 2012	3,123
StrataGold related	\$5.28	15,613	June 11, 2012	15,613
Gateway related	\$1.38	50,000	June 26, 2012	50,000
Gateway related	\$0.60	95,000	July 25, 2012	95,000
StrataGold related	\$3.60	4,996	August 15, 2012	4,996
Granted by Victoria	\$0.60	1,900,000	August 20, 2012	1,900,000
Granted by Victoria	\$0.65	220,000	September 17, 2012	220,000
StrataGold related	\$3.92	18,735	October 1, 2012	18,735
Granted by Victoria	\$0.70	300,000	October 23, 2012	300,000
Gateway related	\$0.40	540,000	July 30, 2013	540,000
Gateway related	\$0.34	280,000	September 29, 2013	280,000
Granted by Victoria	\$0.21	2,239,375	December 17, 2013	2,239,375
StrataGold related	\$1.60	99,295	February 19, 2013	99,295
StrataGold related	\$1.60	24,980	March 3, 2013	24,980
Granted by Victoria	\$0.32	150,000	May 11, 2014	150,000
Granted by Victoria	\$0.40	250,000	July 2, 2014	250,000
Granted by Victoria	\$0.36	75,000	July 13, 2014	75,000
Granted by Victoria	\$0.38	570,000	September 21, 2014	396,250
Granted by Victoria	\$0.70	2,921,250	December 18, 2014	1,852,500
Granted by Victoria	\$1.25	530,000	October 7, 2015	132,500
Granted by Victoria	\$1.05	2,725,000	February 9, 2016	340,625
		13,782,340		9,757,965

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Warrants

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

	Number of outstanding warrants	Weighted- average exercise price	Fair value assigned (Cdn \$)
Warrants outstanding at February 28, 2009	21,953,466	\$0.54	4,770,349
Issued	11,311,900	\$0.55	2,194,605
Issued – to replace StrataGold warrants	2,105,658	\$2.00	10,528
Exercised	(14,431,250)	\$0.33	(1,733,577)
Expired	(11,892,324)	\$1.04	(3,675,410)
Warrants outstanding at February 28, 2010	9,047,450	\$0.57	1,566,495
Issued	-	\$0.00	-
Exercised	(4,177,950)	\$0.59	(563,205)
Expired	(93,500)	\$0.70	(3,834)
Warrants outstanding at February 28, 2011	4,776,000	\$0.55	999,456

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Changes in the value assigned to stock options, share purchase warrants and Agent options, as presented on the Consolidated Balance Sheets, are provided in the table below:

Value assigned to options and share purchase warrants	Year Ended February 28, 2011	Year Ended February 28, 2010
Balance, beginning of the period	\$ 9,039,932	\$ 8,616,242
In connection with the Mar. 13, 2009 private placements:		
Fair value of share purchase warrants	-	2,194,605
Issuance costs, agent's warrants	-	225,780
Issuance costs, cash	-	(238,339)
In connection with the Aug. 6, 2009 private placements:		
Issuance costs, agent's warrants	-	36,687
Stock-based compensation, expensed	982,472	462,180
Stock-based compensation, capitalized to resource properties	692,534	304,720
Fair values allocated to common shares upon exercise:		
Stock options	(583,837)	(81,085)
Purchase warrants	(563,205)	(1,733,577)
Agent options	(27,559)	(297,728)
Fair value assigned to StrataGold options	-	109,607
Fair value assigned to StrataGold warrants	-	10,528
Tax impact of warrant expiry	-	(569,688)
Balance, end of the period	\$ 9,540,337	\$ 9,039,932

12 Supplementary cash flow information

	February 28, 2011	February 28, 2010
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 1,622,084	\$ 3,026,045
Fair value assigned to Agents' warrants (Note 11)	\$ -	\$ 262,467
Stock-based compensation, capitalized to resource properties (Note 11)	\$ 692,534	\$ 304,720
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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13 Related party transactions

During the year ended February 28, 2011 \$2,567,041 was paid to Directors and Officers of the Company who are not independent, including salary, bonus and stock options vested during the year (\$2,248,638 for the year ended February 28, 2010).

14 Commitments

Operating Leases

At February 28, 2011, Victoria has future minimum annual operating lease commitments for office premises in; (1) Vancouver, BC, (2) Toronto, Ontario, (3) Reno, Nevada, (4) Elko County, Nevada and (5) Whitehorse, Yukon, as follows:

	CAN\$		US\$	
to February 28, 2012	\$	278,440	\$	42,541
to February 29, 2013		241,120		29,547
to February 28, 2014		127,284		15,075
to February 28, 2015		98,560		-
to February 28, 2016 and thereafter		133,056		-
Total	\$	878,460	\$	87,163

15 Financial Instruments

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, restricted cash and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future.

Fair Value Hierarchy

The fair value hierarchy in CICA Handbook Section 3862 establishes three levels to classify inputs to the valuation techniques used to measure fair value. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices). Level 3 inputs are unobservable (supported by little or no market activity), such as non-corroborative indicative prices for a particular instrument provided by a third party.

The Company has classified the above financial assets and liabilities as at February 28, 2011 and as at February 28, 2010 respectively, as follows:

February 28, 2011	Level One		Level Two		Level Three	
Restricted cash	\$	-	\$	718,970	\$	-
Marketable securities	\$	162,850	\$	-	\$	-
February 28, 2010	Level One		Level Two		Level Three	
Restricted cash	\$	-	\$	826,389	\$	-
Marketable securities	\$	473,002	\$	-	\$	-

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Risk exposure is summarized as follows:

a) Credit risk

Certain of the Company's financial assets are exposed to a degree of credit risk. The Company endeavours to mitigate credit risk by holding its cash and cash equivalents as cash deposits and short-term government treasury instruments with major commercial banks.

Credit risk relating to restricted cash arises from the possibility that any counterparty to an instrument fails to perform. The Company's restricted cash includes reclamation bonds. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada and joint venture partners and interest bearing certificates of deposit held by Wells Fargo. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of restricted cash, receivables and reclamation bonds.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Accounts payables and accrued liabilities are due within the current operating period, from March 1, 2011 through May 31, 2011.

c) Market risk

a. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is limited as these investments, although available for sale, renew daily. The short-term investments included in cash and cash equivalents earn interest at prevailing rates.

b. Foreign currency risk

The Company incurs exploration expenditures in the United States and holds its restricted cash and a portion of its cash and cash equivalents in US dollars. This gives rise to a risk that its US dollar expenditures and US dollar cash holdings may be adversely impacted by fluctuations in foreign exchange. The Company does not undertake currency hedging activities.

c. Price risk

The Company's financial assets and liabilities are not exposed to price risk with respect to commodity prices. The Company's exploration drill programs are exposed to price risk, of which the Company has no control. The Company's exploration drill programs are carried out by outside contractors. Cost increases for consumables such as fuel and drill bits are indirectly passed on to the Company through its contracted drill programs.

There has been no significant change in the risk factors affecting the Company on a period over period basis.

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Sensitivity Analysis

The following table summarizes the sensitivity of the Company's cash, cash equivalents and restricted cash to changes in interest rates and foreign exchange rates over the twelve month reporting period ended February 28, 2011.

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Cdn\$ denominated	629,791	6,298	(6,298)	-	-
Cash - US\$ denominated	5,011,741	50,117	(50,117)	501,174	(501,174)
Treasury funds - Canadian denominated	20,025,004	200,250	(200,250)	-	-
Total cash and cash equivalents	25,666,536	256,665	(256,665)	501,174	(501,174)
Reclamation bonds - US\$ denominated (non-interest bearing)	401,048	-	-	40,105	(40,105)
Reclamation bonds - US\$ denominated (interest bearing)	317,922	3,179	(3,179)	31,792	(31,792)
Total amount or impact - cash and deposits	26,385,506	259,844	(259,844)	573,071	(573,071)

1) Interest earned on the Company's interest bearing cash accounts, treasury funds and certificates of deposit is at prevailing rates that fluctuate with changes in banking interest rates and Government t-bill rates. Management believes that a plus or minus 1% annual change in rates is a reasonable estimate of variability over a twelve month period.

2) The Company's US dollar cash balance, US dollar reclamation bonds and US dollar based certificates of deposit are subject to foreign exchange risk. Management has shown a sensitivity analysis of a plus or minus change of 10%.

16 Segmented information

The Company's principal activity is the exploration and development of mineral properties. The Company's resource properties are located in the Canada and the United States. A breakdown of mineral properties by geographic expenditures is disclosed in *Note 7*.

In \$mm's (Cdn \$)	Canada	USA	Corporate	Guyana	Total
February 28, 2011					
Net Assets	40.3	41.2	25.3	-	106.8
Net loss/(gain)	(0.6)	-	3.2	-	2.6
February 28, 2010					
Net Assets	17.4	35.7	20.4	2.3	75.8
Net loss/(gain)	1.3	2.2	2.4	0.3	6.2

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17 Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at February 28, 2011, the Company had no bank debt.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended February 28, 2011.

18 Income taxes

The provision for income taxes included in the consolidated statement of loss differs from the statutory income rate as follows:

	Year Ended February 28, 2011	Year Ended February 28, 2010
Net Loss before taxes	\$ 3,647,420	\$ 7,270,635
Income tax provision (recovery) at average statutory rates	\$ (1,109,424)	\$ (2,229,661)
Permanent differences	300,709	146,334
Adjustment for future taxes	3,967,943	4,932,167
Other	550,629	(570)
Change in valuation allowance	(4,800,431)	(3,918,703)
Provision for (recovery of) income taxes	\$ (1,090,574)	\$ (1,070,433)

The Company's future income tax assets and liabilities are summarized as follows:

	February 28, 2011	February 28, 2010
Non-capital losses	\$22,142,341	\$14,275,500
Resource properties	1,736,012	4,881,264
Share issue costs	972,111	845,904
Intangible assets	80,950	80,950
Capital loss	-	15,825
Marketable securities	(47,329)	-
Fixed assets	121,678	105,889
	\$25,005,763	\$20,205,332
Valuation allowance	\$(25,005,763)	\$(20,205,332)
Future income tax	\$ -	\$ -

The Company has gross Canadian non-capital tax losses of \$28,665,228 which expire beginning 2014 until 2031. The Company has gross US non-capital tax losses of US\$37,148,471 which expire beginning 2012 until 2031.