



(an exploration and development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the year ended February 29, 2012 and February 28, 2011

DATED: June 26, 2012

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VICTORIA GOLD CORP.

(an exploration and development stage company)

Management's Discussion and Analysis

This Management's Discussion and Analysis has been prepared as at June 26, 2012, and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Victoria Gold Corp. (the "Company" or "Victoria") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following management's discussion and analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto of the Company for the years ended February 29, 2012 and February 28, 2011. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 "First time adoption of IFRS" and all amounts are expressed in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

These consolidated financial statements and MD&A contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate," "believe," "expect," "goal," "plan," "intend," "estimate," "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production and the timing thereof and costs and timing of drilling campaigns, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, exploration and drilling success or failure, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

OVERVIEW

Victoria Gold is an emerging gold producer whose flagship asset is its 100% owned Dublin Gulch property which hosts the Eagle Gold Deposit. Dublin Gulch is situated in central Yukon Territory, Canada, approximately 375 kilometers north of the capital city of Whitehorse. The property covers an area of approximately 650 square kilometers, is accessible by road year-round and is located within Yukon Energy's electrical grid.

CORPORATE ACTIVITIES (since March 1, 2011)

On July 27, 2011, the Company announced that Mrs. Kelly Arychuk had been appointed to Vice President, Mine Support Services. Kelly has over 20 years experience in the field of human resources coupled with substantial experience within the mining industry, dealing with larger scale operating mining companies in Northern Canada.

On August 22, 2011, the Company announced that, at its Annual General Meeting held on August 18, 2011 in Yukon, it had elected a new board of directors including T. Sean Harvey, John McConnell, Hugh Agro, Edward Dowling, Christopher Hill, Leendert Krol and Michael McInnis.

On February 23, 2012, the Company announced that Mr. Andrew Kaczmarek had been appointed as Chief Operating Officer. Andy has over 35 years of diverse natural resource experience in project development, construction and operations, having held senior management positions with developing and producing companies including; Anatolia Minerals Development Limited (now Alacer Gold Corporation), Kinross Gold Corporation, Gabriel Resources Limited and Cyprus Amax Minerals.

On May 29, 2012, the Company announced that Mr. Richard Eliason had been appointed to Vice President, Exploration. Rich has spent over 25 years in exploration, mine geology, project generation & management in Canada, Eastern Europe and the US. Rich most recently held the position of Manager Exploration – Nevada for Victoria Gold. Previous to this, he held senior exploration and mining positions with Minorco, AngloGold, Queenstake Resources, Yukon-Nevada Gold, and Tournigan Resources.

EXPLORATION AND DEVELOPMENT ACTIVITIES

The Company has incurred resource expenditures since inception and through February 29, 2012, net of property impairments and sales, totalling \$98.9 million including the acquisitions of StrataGold (\$11.4M) and Gateway (\$5.2 million). During the year ended February 29, 2012, the Company incurred resource property expenditures totalling \$32.9 million.

Comparatively, the Company had incurred resource expenditures since inception and through February 28, 2011, net of property impairments and sales, totalling \$66.0 million including the acquisitions of StrataGold (\$11.4M) and Gateway (\$5.2 million). During the year ended February 28, 2011, the Company incurred resource property expenditures totalling \$17.4 million.

PROPERTY SUMMARIES

PROPERTY	COMPLETED ACTIVITIES ¹ (MARCH 1, 2011 – JUNE 26, 2012)	OUTLOOK ² (THREE TO SIX MONTHS FORWARD)
Dublin Gulch - Eagle Gold Project (and adjacent Steiner Zone)	<p>Completed the 2011 site program including exploration drilling, environmental and permitting activities and engineering work to support the feasibility study.</p> <p>In May 2011, the Company filed a NI 43-101 Technical Report which outlined a mineral resource of 4.9 million ounces Indicated and 1.5 million ounces Inferred.</p> <p>In May 2011, the Company released assay results from 15 holes drilled into the Eagle Gold deposit in late 2010 and early 2011.</p>	<p>Continue the Project Proposal screening process with the target of achieving a positive assessment decision.</p> <p>Prepare applications for a water license, quartz mining license and ancillary permits to support mine development and operations.</p> <p>Advance discussions on a Purchase Power Agreement with Yukon Energy Corporation.</p>

PROPERTY	COMPLETED ACTIVITIES ¹ (MARCH 1, 2011 – JUNE 26, 2012)	OUTLOOK ² (THREE TO SIX MONTHS FORWARD)
	<p>In July 2011, the Company completed pre-screening and adequacy of the Project Proposal and entered the screening phase of the permitting process.</p> <p>In August 2011, the Company released assay results from Eagle step-out drilling and the Steiner zone.</p> <p>In September 2011, the Company released assay results from the Steiner zone.</p> <p>In October 2011, the Company completed a Comprehensive Cooperation Benefits agreement with the First Nation of Na-Cho Nyak Dun.</p> <p>In February 2012, the Company released the results of a National Instrument 43-101 definitive feasibility study on the Eagle Gold Project.</p> <p>In March 2012, the Company released the first batch of assay results from the 2012 Eagle drilling program.</p> <p>In May 2012, the Company released the second batch of assay results from the 2012 Eagle drilling program.</p>	<p>Complete the currently ongoing 2012 advanced exploration drilling program at the Eagle deposit.</p> <p>Engage engineers and consultants in anticipation of the start of construction.</p>
Dublin Gulch – Potato Hills Trend (and Other Targets)	<p>Completed the 2011 exploration program including geological mapping, surface sampling and drilling.</p> <p>In August 2011, the Company released assay results from the Popeye target.</p> <p>In August 2011, the Company announced that geologic mapping and rock chip sampling had led to a new silver and gold target at Rex-Peso.</p> <p>In September 2011, the Company released assay results from the Olive and Shamrock zones.</p> <p>In December 2011, the Company announced the signing of a Letter of Intent for the purposes of staking NND land adjacent to Victoria’s Dublin Gulch Project (“Cat B” land). Victoria staked 1,443 adjacent to and to the west and south of the existing Dublin Gulch Property. This ground covers an area of 290 square kilometres</p> <p>In January 2012, the Company released silver assay results from the Rex-Peso zone.</p>	<p>Continue to analyse the results of the 2011 exploration program to prioritize drilling targets.</p> <p>Preparation of a soils sampling program on the NND Cat B land to develop targets for future exploration work; geophysics and drilling.</p>

PROPERTY	COMPLETED ACTIVITIES ¹ (MARCH 1, 2011 – JUNE 26, 2012)	OUTLOOK ² (THREE TO SIX MONTHS FORWARD)
	In January 2012, the Company released assay results from the Olive and Shamrock zones.	
Cove Gold Project – Helen Zone	On April 10, 2012, Victoria announced that it had accepted an offer from Premier Gold Mines ("Premier") to purchase Victoria's interest in the Cove McCoy Property. On June 6, 2012, Victoria announced the execution of a definitive asset purchase agreement, dated June 4, 2012, in connection with the sale. Closing of the transaction took place on June 14, 2012.	
Santa Fe	<p>Metallurgical studies, mapping, soil and rock chip sampling and evaluation of historic exploration information.</p> <p>On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. As part of the consideration for the Mill Canyon Property, Victoria received all of Barrick's right, title and interest Santa Fe and now holds a 100% interest in the property.</p>	Target prioritization for possible drilling.
Mill Canyon	On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. The transaction closed on June 1, 2012.	
Big Springs	Permitting and environmental monitoring.	Structural mapping, permitting and environmental monitoring.

Notes:

¹ COMPLETED ACTIVITIES includes the period from the start of the current fiscal period (March 1, 2011) through the date of this document (June 26, 2012).

² OUTLOOK includes forward-looking statements which are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. See page 1 "FORWARD-LOOKING STATEMENTS".

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES & OUTLOOK

Dublin Gulch, Yukon Territory

The Dublin Gulch property includes the Eagle Gold Project and the Wolf Tungsten Deposit (previously referred to as the Mar-Tungsten Deposit). The property is located 85 km north of the village of Mayo in the Yukon, Canada. The property is centered on the confluence of the Haggart Creek and Dublin Gulch, at approximately 64°02' N and 135°50' W. The property comprises an aggregate area of 64,608 hectares.

On December 1, 2008, a NI 43-101 Preliminary Assessment for the Wolf Tungsten Deposit, formerly Mar Tungsten), was filed on www.sedar.com.

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 annually 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; and
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 historically known as the Mar Tungsten Property and Mar Tungsten Leases, a 1% NSR royalty.

Eagle Gold Project (and adjacent Steiner Zone), Dublin Gulch, Yukon Territory

On April 23, 2010, a NI 43-101 Technical Report summarizing the PFS and led by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson") on the Eagle Gold Project was filed on www.sedar.com.

On May 5, 2011, a NI 43-101 Technical Report outlining an updated mineral resource and led by Wardrop, a Tetra Tech Company ("Wardrop") on the Eagle Gold Project was filed on www.sedar.com.

Eagle Zone Resource Summary May 2011 (Ordinary Kriging)

INDICATED	TONNES	GRADE(G AU/T) NO CAP	GRADE(G AU/T) CAPPED	GOLD (OUNCES*) NO CAP	GOLD (OUNCES*) CAPPED
Granodiorite	203,280,554	0.70	0.68	4,580,805	4,475,397
Metasediment	18,913,024	0.68	0.63	412,016	385,603
Total/Average	222,193,578	0.70	0.68	4,992,821	4,861,001
Inferred	Tonnes	GRADE(G AU/T) NO CAP	GRADE(G AU/T) CAPPED	GOLD (OUNCES*) NO CAP	GOLD (OUNCES*) CAPPED
Granodiorite	68,019,034	0.60	0.58	1,302,859	1,276,558
Metasediment	9,911,733	0.87	0.68	275,848	218,196
Total/Average	77,930,767	0.63	0.60	1,578,707	1,494,754

* 1 troy ounce = 31.10348g

During the period from June 24, 2011, the date of the Company's last annual MD&A, through to the date of this report, the Company completed its 2011 site program in support of the Eagle feasibility study and commenced its 2012 site program which is expected to include advanced exploration and in-fill drilling, environmental and permitting activities and engineering and detailed design for the construction of the Eagle gold mine.

In July 2011, the Company completed pre-screening and adequacy of the Project Proposal and entered the screening phase of the permitting process.

In August 2011, the Company released assay results from Eagle step-out drilling and the Steiner zone. At the Eagle North target, which is situated approximately 200 meters north of the main Eagle gold deposit, three diamond core holes were completed in order to test a target that demonstrates strong geologic similarities to the Eagle deposit itself. The results of these three holes demonstrate the presence of significant "Eagle-style" mineralization in the target area. The Steiner target area, located northwest of the main Eagle deposit, also demonstrates similar geological characteristics to those of the nearby Eagle deposit. Results from the 2011 drilling program have confirmed these geologic observations.

Eagle North Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-421C	27.6	70.7	43.1	0.80
DG11-422C	94.5	102.1	7.6	2.36
and	204.2	207.3	3.1	1.53
and	228.6	234.7	6.1	0.79
DG11-427C	100.8	117.3	16.5	1.02
and	209.4	212.5	3.1	1.10
and	227.1	229.2	2.1	1.83
and	265.7	274.9	9.2	1.68

* Apparent true width is approximately 90% of intersection lengths

Steiner Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-429C	40.23	82.90	42.67	0.81
and	191.11	201.77	10.66	0.46
and	212.45	220.06	7.61	0.70
and	247.49	253.57	6.08	0.70
DG11-432C	38.71	52.42	13.71	0.23
and	145.39	148.85	3.46	1.25
and	204.82	206.66	1.84	2.22

* Apparent true width is approximately 70% of intersection lengths

In September 2011, the Company released assay results from the Steiner zone. Steiner is adjacent to the Eagle Gold Deposit and with similar mineralization is a potential satellite pit to the proposed Eagle Gold Mine. The results from the third hole completed at the Steiner zone, which is located northwest of the main portion of the Eagle Gold Deposit, further demonstrates continuity of strong gold mineralization on the southern side of the target zone, and where the limits of mineralization have not yet been discovered.

Steiner Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-441C	58.20	75.29	17.09	0.32
and	153.02	181.97	28.95	1.37
including	165.20	181.97	16.77	2.11

*Apparent true width of mineralized zone is approximately 80% of intersection length.

In October 2011, the Company completed a Comprehensive Cooperation Benefits agreement with the First Nation of Na-Cho Nyak Dun. Key points and outcomes of the CBA:

- Provides certainty for development of the Project and on-going exploration;
- Provides the NND with employment and economic development opportunities while respecting and promoting NND's desired environmental protection objectives;
- Establishes a process for ongoing communication between Victoria and the NND so both parties can identify and pursue contracting and partnering opportunities;
- Provides the NND with employment and training opportunities; and
- Provides financial support and profit sharing opportunities that may result from a successful project.

In February 2012, the Company released the results of a National Instrument 43-101 definitive feasibility study on the Eagle Gold Project. The feasibility study was prepared under the direction of Tetra Tech, Inc. ("Tetra Tech"),

an industry leading, international engineering firm, supported by a globally recognized feasibility study team, all of whom were independent of the Company, including:

- Merit Consultants International Inc. ("Merit"), responsible for the capital cost estimate ("CCE") and construction and project execution activities;
- SRK Consulting (U.S.) Inc ("SRK"), responsible for the in-pit Mineral Resource;
- BGC Engineering ("BGC"), responsible for geotechnical engineering pertaining to on-site infrastructure, waste rock storage area and pit slopes;
- Kappes, Cassiday & Associates ("KCA"), responsible for metallurgy; and
- Knight Piesold, responsible for water management.

The feasibility study built upon the pre-feasibility study completed by Scott Wilson RPA (see news release dated, March 9, 2010) and confirmed the technical and financial viability of constructing and operating a 29,500 tonne/day ("tpd") open-pit gold mine including a three-stage crush, in-valley heap leaching and adsorption desorption gold recovery plant ("ADR plant") operation at Eagle.

Highlights of the Feasibility Study (all amounts in Canadian dollars unless otherwise stated)	
Proven and Probable Gold Reserves (oz)	2,300,768
Average Annual Gold Production (oz, first 5 years)	211,000
Average Annualized Gold Production (oz, LOM)	192,000
Initial CapEx	\$382,799,000
Capitalized Pre-stripping for mining operations	\$16,941,000
OpEx (\$ per tonne processed, first 5 years)	\$11.95
OpEx (\$ per tonne processed, LOM)	\$12.21
Operating Cost per ounce (\$US/oz, first 5 years)	\$542

Probable Mineral Reserves of 92 million tonnes of ore grading 0.78 grams per tonne (g/t) result in 2.3 million contained ounces of gold. Life of mine ("LOM") payable gold production is 1.7 million ounces. Initial capital costs were estimated to be \$382.8 million including contingency, excluding working capital of \$31.2 million and pre-stripping of \$16.9 million.

In-Pit Mineral Resources

SRK estimated an in-pit gold Resource for the purpose of mine planning using Inverse Distance Squared at a cut-off grade of 0.2 g/t constrained within a \$1,500 pit optimization shell. A total of 22,439 assay intervals with gold assays in 183 drill holes were used to define a wireframe with assays capped at 13.0 g/t Au. The capped gold assays were composited into 3 m intervals from the top of the drillhole with breaks at the wireframe boundary. Composite intervals less than 0.5 m in length were added to the composite immediately above. A block model with a cell size of 15 m x 15 m x 7.5 m was used for the grade estimation.

Mineral Reserves

Probable Mineral Reserves are the economically minable portions of the Measured & Indicated in-pit Mineral Resources as demonstrated by the feasibility study.

Eagle Mineral Reserves			
Classification	Ore 000's tonnes	Gold g/t	Contained Gold ozs
Probable	91,594	0.78	2,300,768

Mining

Eagle is an open pit mine and will operate as a drill, blast, shovel and haul operation with a nominal rate of 29,500 tpd ore and mine life of 9 years. Ore will be hauled to the first stage crushing unit located toward the north east side of the pit. Total ore to be mined and processed is 91.6 million tonnes grading 0.78 g/t for a total contained 2.3 million ounces gold. Grades are significantly higher in the initial 3 years and include 21.6 million tonnes of ore grading 0.94 g/t, significantly accelerating cash flows in the first few years of operations.

Waste rock will be hauled to one of two waste rock storage areas immediately to the south and north of the open pit. Waste rock storage will be managed to allow for future pit expansion. The ratio of waste to ore is favourable at 1.45 to 1 and total waste material is 132.4 million tonnes.

Processing

Ore will be hauled from the open-pit to the primary crusher at a nominal rate of 29,500 tpd. Following the primary crusher, the ore will be conveyed through a secondary and tertiary crushing circuit to a final size of 6.3mm and conveyed to an in-valley heap leach pad. Ore will be stacked in 10m lifts using grasshopper conveyors and leached for 150 days. The pregnant solution, laden with gold once leaching is complete, will be pumped to an ADR plant where gold will be stripped from the solution and poured into doré bars. Life of mine recovery is estimated at 72.6% with significantly higher recovery in the initial three years as a result of greater oxidation of ore in the upper portion of the pit.

Infrastructure

The project is well supported by local infrastructure. Eagle is accessed via an existing year round road connecting to the Silver Trail Highway. Grid power currently runs along the highway and Victoria has a letter of intent in place with the Yukon Energy Corp to support grid power via a spur line to be constructed along the existing access road. A sizable gravel airstrip is located in Mayo approximately 85km by road from the project site. An existing construction ready 100-person camp is currently operational at site. All mine site infrastructure to be built for Eagle is located within a few kilometers ("km") of the open pit.

Capital Costs

The initial capital cost for Eagle is estimated (in Q1 2012 dollars) at CND \$382.8 million with an accuracy of 15%, includes contingency of \$38.2 million and excludes \$16.9 million in pre-stripping for mining operations. The contingency allowance was calculated based on assessed risk factors for each of the major capital cost categories. Direct costs include the mining fleet, crushers, heap leach, processing plant, power, water management systems, infrastructure, communications and temporary construction camp. Indirect costs include initial fills, spares, commissioning and start-up, engineering and procurement, construction management and freight and logistics. Life of mine sustaining capital costs are estimated at \$132.9 million and closure costs (net of salvage value) are \$64.2 million.

Initial Capital Cost Estimate (all amounts in Canadian dollars unless otherwise stated):

Initial Capital Cost Estimate (all amounts in Canadian dollars unless otherwise stated)	
Mining	\$ 36,266,000
Site General	\$ 33,522,000
Process	\$ 96,399,000
Ancillaries	\$ 21,153,000
Power Supply & Distribution	\$ 11,113,000
Water Management	\$ 5,085,000
Heap Leach Pad	\$ 63,833,000
Owner's Costs	\$ 8,913,000
Indirect Costs	\$ 68,277,000
Contingency	\$ 38,238,000
Total Directs, Indirects, Owner's Cost, including Contingency	\$ 382,799,000

(exclusive of \$16.9 million pre-stripping for mining operations)

Operating Costs

LOM site operating costs, are CAD \$12.21 per tonne processed, as summarized below:

Year	Tonnes Leached (000's)	Average Grade (g/t Au)	Gold Produced (oz)	Cost (\$CAD per tonne leached)	Operating Cost (\$USD per oz)
2014	1,284	0.89	23,719	\$ 12.64	\$ 629
2015	9,720	0.93	207,132	\$ 12.84	\$ 554
2016	10,607	0.96	233,119	\$ 11.28	\$ 472
2017	10,544	0.89	215,040	\$ 11.63	\$ 525
2018	10,589	0.80	201,180	\$ 11.92	\$ 577
2019	10,634	0.78	202,216	\$ 12.08	\$ 584
2020	10,647	0.78	190,141	\$ 11.34	\$ 584
2021	10,654	0.63	153,346	\$ 11.47	\$ 733
2022	10,302	0.59	136,377	\$ 11.71	\$ 814
2023	6,613	0.58	88,558	\$ 11.41	\$ 784
2024			17,924		
2025			3,745		
Total or Average	91,594	0.78	1,672,496	\$ 12.21	\$ 615

Financial Analysis

Base case: consensus based long-term gold price US\$1,325/ounce gold and US\$/CAD\$ exchange rate of \$0.92:

- Net Present Value (NPV) at 5% is **\$380.8 million**, pre-tax
- NPV at 8% is **\$273.1 million**, pre-tax
- Internal Rate of Return (IRR) is **24.1%**
- Payback is **3.1 years**

Gold Price (\$USD)	FOREX (CAD/US)	IRR (%), pre-tax	NPV, 5%, (M\$)	Pay Back (yrs)
1,200	0.92	17.2%	224	3.7
1,325	0.92	24.1%	381	3.1
1,400	0.92	27.8%	475	2.8
1,600	0.92	36.9%	726	2.3
1,800	0.92	45.1%	976	1.9
2,000	0.92	52.8%	1,227	1.7

In March 2012, the Company released the first batch of assay results from the 2012 Eagle drilling program. The program was designed to explore for additional and higher-grade gold mineralization within the planned open pit limits and to provide information for geological interpretations of ore controls. Assay results confirmed expanded gold potential. New geological information also improved the understanding of the deposit.

Highlights of the program included:

- DG11-467C: 99.00 meters of 0.992 g/t gold, including 36.96 meters of 1.829 g/t gold
- DG11-469C: 86.75 meters of 1.034 g/t gold, including 18.55 meters of 3.068 g/t gold
- DG11-470C: 119.91 meters of 0.965 g/t gold, including 13.25 meters of 3.854 g/t gold
 DG12-472C: 239.68 meters of 0.941 g/t gold, including 47.20 meters of 2.072 g/t gold

In May 2012, the Company released the second batch of assay results from the 2012 Eagle drilling program.

Program Results

Drill Hole No.	From (m)	To (m)	Length (m)	Grade (g/t Au)
DG11-468C <i>including</i>	126.50 143.00	155.00 144.50	28.50 1.50	1.21 8.32
DG12-471C <i>including</i>	235.74 256.30	272.00 257.54	36.26 1.24	1.59 15.75
DG12-473C	278.49	313.27	34.78	1.46
DG12-474C	120.00	132.56	12.56	2.14
DG12-475C	212.00	254.00	42.00	1.48
DG12-476C <i>including</i>	46.00 49.00	61.00 52.00	15.00 3.00	2.19 7.86
DG12-477C <i>including</i>	201.50 209.00	257.00 213.50	55.50 4.50	1.77 5.51
DG12-478C	32.80	37.50	4.70	4.53
DG12-479C <i>including</i>	387.50 405.50	426.50 410.00	39.00 4.50	1.42 3.32
DG12-480C <i>including</i>	23.27 41.48	44.03 44.03	20.76 2.55	1.79 6.02
DG12-481C	123.52	126.66	3.14	2.59
DG12-482C	120.50	128.00	7.50	1.46
DG12-484C	45.50	50.00	4.50	1.00
DG12-486C	59.00	68.00	9.00	2.02
DG12-487C	204.50	217.10	12.60	2.38
DG12-488C	48.00	52.50	4.50	2.37

* DG11-469C, DG11-470C and DG12-472C were reported in an earlier press release.

** DG12-483C and DG12-485C had no significant assay intervals.

*** Intersection lengths represent approximately 70% of estimated apparent true thickness.

During the remainder of calendar 2012, the Company expects to:

- (a) complete the 2012 advanced exploration drilling program at Eagle;
- (b) prepare applications for a water license, quartz mining license and ancillary permits to support mine development and operations; and
- (c) engage engineers and consultants in anticipation of starting construction.

Potato Hills Trend (and other targets), Dublin Gulch, Yukon Territory

During the period from June 24, 2011, the date of the Company's last annual MD&A, through to the date of this report, the Company continued its 2011 site program including geologic mapping, surface sampling and drilling on the greater Dublin Gulch property.

In August 2011, the Company announced that geologic mapping and rock chip sampling had led to a new silver and gold target at Rex-Peso. First-pass geologic mapping and rock-chip sampling by Victoria's geologic team has discovered widespread gold, silver, arsenic and antimony mineralization at Rex Peso, which is situated within the Dublin Gulch claim block approximately 4 km west of the Eagle Gold Deposit. The Rex Peso area has sizable areas of strong gold and silver mineralization which is accompanied by wide-spread, very strong arsenic and antimony mineralization, commonly associated with gold and silver deposits in the Dublin Gulch project area and elsewhere. The Rex Peso target appears to be a significant westerly extension to the Potato Hills mineral trend.

In September 2011, the Company released assay results from the Olive and Shamrock zones. Results were received for six holes that were drilled in the south-central part of the Olive Zone, which is situated approximately three kilometers (km) northeast of the Eagle Gold Deposit, and within the Potato Hills Mineral Trend. Significant mineralization was encountered in several of the holes, with substantial mineralization intersected over appreciable widths in two separate zones in hole DG11-445C. At Shamrock, four km northeast of the Eagle Gold Deposit and one km east of the Olive Zone, significant mineralization was encountered in two of the eight holes completed.

Olive Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-437C	207.57	209.09	1.52	0.96
DG11-438C	27.73	29.26	1.53	5.47
and	65.84	111.56	45.72	0.40
including	99.52	111.56	12.04	0.92
and	120.70	134.40	13.70	0.60
DG11-443C	80.47	92.66	12.19	0.78
DG11-445C	55.77	57.30	1.53	4.44
and	83.27	98.43	15.16	3.64
and	109.12	144.47	35.35	1.64
including	119.21	141.12	21.91	2.48
DG11-448C	60.05	69.19	9.14	1.42
and	119.48	121.01	1.53	1.47

*Apparent true widths of holes DG11-438, 443 and 448 are 90%; the apparent true width of hole DG11-445 is 50% of the intersection length.

*DG11-440C did not cut significant mineralization.

Shamrock Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-444R	7.62	10.67	3.05	3.13
and	21.34	22.86	1.52	1.50
and	51.82	56.39	4.57	7.70
DG11-447R	0.00	9.14	9.14	0.96
DG11-449R	22.86	24.38	1.52	1.21
and	39.62	42.67	3.05	1.07
DG11-450C	141.73	144.78	3.05	21.59
DG11-455C	26.82	32.92	6.10	5.03

*Apparent true widths of holes in the Shamrock target are 90% of the intersection length.

* DG11-446R, DG11-451C and DG11-452C did not cut significant mineralization.

In December 2011, the Company announce the signing of a Letter of Intent for the purposes of staking NND Land adjacent to Victoria's Dublin Gulch Project, nearly doubling the land package within NND traditional territory in Yukon, Canada. Victoria has staked 1,443 claims on two parcels of NND Category B Land adjacent to and to the west and south of the existing Dublin Gulch Property. This ground is highly prospective, covers an area of 290 square kilometres and has not seen any exploration activity in over 20 years. Dublin Gulch, original ground along with the new staking, now includes 3,408 claims covering 646 square kilometres.

In January 2012, the Company released assay results from Rex-Peso, Dublin Gulch Property. Assay results confirmed significant silver – lead – antimony mineralization from the Rex-Peso zone along a south-western extension of the Potato Hills mineralized belt. From historical records and work completed by Victoria, the vein system at Rex-Peso is comprised of no less than 5 known major veins with thicknesses of 1 to 15 metres and strike length in excess of 4.5 kilometres. Drilling to date has only tested 3 of the 5 vein systems.

Rex-Peso Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Ag/tonne)
11RPDH-01	43.26	63.09	19.83	6.38
including	46.34	50.90	4.56	15.16
11RPDH-02	58.40	74.22	15.82	82.79
including	58.40	66.14	7.74	166.55
11RPDH-03	38.60	55.40	16.80	9.55
including	38.60	40.40	1.80	60.70
11RPDH-04	Hole abandoned at 47.85 m after intersecting old mine void			
11RPDH-05	145.39	148.44	3.05	16.90
11RPDH-06	64.20	69.00	4.80	25.14
11RPDH-07	Anomalous intersections only			
11RPDH-08	Anomalous intersections only			
11RPDH-09	21.34	33.53	12.19	84.27
including	30.48	32.00	1.52	652.00
and	70.10	79.25	9.15	62.37
including	70.10	73.40	3.30	159.16
11RPDH-10	76.20	80.77	4.57	10.83
and	102.10	129.54	27.44	382.10
including	103.63	121.36	17.73	588.08
11RPDH-11	30.70	32.00	1.30	21.20
11RPDH-12	42.22	54.86	12.64	23.68

*Apparent true widths are approximately 70% - 90% of the intersection length.

In January 2012, the Company released further assay results from the Olive and Shamrock zones. From work carried out through 2010 and 2011, Victoria has defined a zone of significant mineral potential where the East-North-East trending Potato Hills controlling structure intersects the Dublin Gulch granodiorite stock, which itself is host to the Eagle Gold Deposit. From Victoria's surface sampling, significant gold results have been found over a strike length in excess of 8 kilometers, and within this mineralized system, drilling has now confirmed a core strike length of approximately 1.7 kilometers, with individual mineralized structures ranging in thickness from 1 to 40 meters. The January 2012 results are tabulated as follows:

Olive Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-456C	157.58	168.21	10.63	0.42
and	183.49	186.53	3.04	0.95
DG11-464C	91.44	94.49	3.05	2.62
DG11-466C	85.98	108.81	22.83	0.72
including	93.57	104.80	11.23	1.23

*Apparent true widths are 70% - 90% of the intersection length.

Shamrock Drill Results:

Hole No.	From (m)	To (m)	Length (m)	Grade (g Au/tonne)
DG11-454C	47.24	85.30	38.06	1.22
including	47.24	71.63	24.39	1.78
DG11-455C	26.82	32.92	6.10	5.03
DG11-457C	18.89	20.42	1.53	2.71
and	188.06	189.58	1.52	1.33
DG11-458C	25.29	26.82	1.53	9.62
DG11-459C	118.26	121.31	3.05	0.80
DG11-460C	185.01	188.06	3.05	3.87
DG11-462C	169.77	171.21	1.52	2.50

*Apparent true widths are 70% - 90% of the intersection length.

* DG11-453C, DG11-461C, DG11-463C and DG11-465C at Shamrock did not cut significant mineralization.

Cove Gold Project – Helen Zone, Nevada

On April 10, 2012, Victoria announced that it had accepted an offer from Premier Gold Mines ("Premier") to purchase Victoria's interest in the Cove McCoy Property. On June 6, 2012, Victoria announced the execution of a definitive asset purchase agreement, dated June 4, 2012, in connection with the sale. The transaction closed on June 14, 2012 with total consideration of up to \$48 million. Proceeds of \$4 million cash and \$4 million worth of Premier Gold Mines Limited ("Premier") common stock were received. An additional \$10 million is due on each of June 14, 2013 and June 14, 2014 and can be satisfied with up to 50% of Premier common stock, at their discretion. An additional, contingent \$20 million may be received in four instalments of \$5 million each upon the cumulative production, to Premier's account, of 250,000, 500,000, 750,000, and 1,000,000 troy ounces of gold from this Project.

Santa Fe, Nevada

On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. As part of the consideration for the Mill Canyon Property, Victoria received all of Barrick's right, title and interest in the Santa Fe Property, located in Mineral County, Nevada. The transaction closed on June 1, 2012 and Victoria holds a 100% interest in the Santa Fe property, which consists of 286 claims, including 24 patented claims.

During the period from June 26, 2012, the date of the Company's last annual MD&A, through to the date of this report, the Company continued mapping, soil and rock chip sampling and evaluation of historic exploration information.

Next steps at Santa Fe include undertaking geophysical and geochemical surveys to better define areas that have the potential to host significant gold mineralization both near surface and at depth.

Mill Canyon, Nevada

On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. The transaction closed on June 1, 2012 with proceeds of US\$15 million cash plus Barrick Gold Corporation's right, title and interest in the Santa Fe Property, located in Mineral County, Nevada. Additionally, Victoria became entitled to receive a contingent cash payment based on the occurrence of certain future events.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 "First time adoption of IFRS," for each of the years ended February 29 or 28, except for 2010 which is prepared in accordance with Canadian GAAP.

Selected Annual Information ended:

	2012-IFRS	2011-IFRS	2010-Canadian GAAP
Total revenues	\$ -	\$ -	\$ -
Net loss	\$ 5,573,396	\$ 2,513,014	\$ 6,200,202
Net loss per share— basic and diluted	\$ 0.019	\$ 0.010	\$ 0.033
Total assets	\$ 127,755,293	\$ 102,154,853	\$ 75,830,466
Total non-current liabilities	\$ 986,458	\$ 1,171,482	\$ 719,765

RESULTS OF OPERATIONS

The Company's loss is reported under IFRS for the year. The most significant impact on loss resulting from transition relates to the accounting for flow-through shares and share based payments, as follows:

Flow-through shares

As part of the transition to IFRS the Company adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred. In particular, the corresponding reduction of share capital in respect of flow-through share financing as previously recorded under Canadian GAAP is now recorded as other income in the statements of loss and comprehensive loss.

Pursuant to the above policy the allocation of the proceeds from flow through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The effects of this transitional change are as follows:

- (1) Premium on flow-through shares: (i) decreased share capital and deficit at March 1, 2010 by \$507,727, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features; (ii) increased deferred premium (liability) and decreased share capital by \$820,000 for the year ended February 28, 2011 and (iii) decreased deferred premium (liability) and increased other income by \$820,000 as at February 28, 2011 to reflect the qualifying flow-through expenditures completed prior to February 28, 2011.
- (2) Renunciation of flow through tax credits: (i) increased share capital and deficit by \$500,745 at March 1, 2010 and (ii) increased share capital and deferred tax provision expense by \$1,090,574 for the year ended February 28, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

Share based payments

Under IFRS graded vesting awards are accounted for as though each installment is a separate award. IFRS did not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There was no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition, was as follows: (i) increased deficit and contributed surplus by \$322,733 at March 1, 2010 and (ii) decreased share-based payments expense and contributed surplus by \$314,406 for the year ended February 28, 2011.

Years ended February 29, 2012 and February 28, 2011

The Company reported a loss of \$5,573,396 (\$0.019 per share) for the year ended February 29, 2012, compared to \$2,513,014 (\$0.010 per share) in the equivalent period during the previous year. The increased loss year over year is due to the fact there was a gain on the sale of property in the prior year and higher salaries, share-based payments and an impairment of associate during the current year.

VARIANCE ANALYSIS	2012	2011	2012 VS 2011 VARIANCE HIGHER/(LOWER)
Operating expenses			
Salaries and benefits	\$ 1,554,400	\$ 1,399,548	\$ 154,852
Share-based payments	1,129,007	668,066	460,941
Office and administrative	770,398	588,332	182,066
Legal and accounting	389,048	404,313	(15,265)
Marketing	342,316	394,744	(52,428)
Consulting	296,799	144,193	152,606
Amortization	21,516	56,691	(35,175)
Premium on flow-through shares	(691,481)	(820,000)	128,519
Foreign exchange loss/ (gain)	(118,951)	314,761	(433,712)
Resource property costs and impairments	-	2,761	(2,761)
Loss/(gain) on disposal of resource properties	-	(902,292)	902,292
Loss/(gain) on sale of short term investment	-	(18,788)	18,788
	3,693,052	2,232,329	1,460,723
Finance (income)/costs			
Unwinding of present value discount: ARO	44,403	-	44,403
Interest and bank charges	5,627	21,356	(15,729)
Interest income	(139,541)	(188,532)	48,991
Loss/(gain) on fair value of marketable securities	65,000	4,577	60,423
	(24,511)	(162,599)	152,088
Share of net loss of associates	377,733	443,284	(65,551)
Impairment of associate	1,527,122	-	1,527,122
Net loss for the year	(5,573,396)	(2,513,014)	3,060,382

During the year ended February 29, 2012, the Company reported Salaries and benefits of \$1,554,400 versus \$1,399,548 for the previous year's comparable period. The increase is due to increased corporate staff. Share-based payments were \$1,129,007 versus \$668,066 for the previous year's comparable period. The increase in Share-based payments is due to IFRS adjustments made in 2011. Office and administrative costs have increased \$182,066 due to increased corporate travel and office expenses during the current year. Consulting costs have increased \$152,606 due to increased usage of corporate and financial consultants. Gains on foreign exchange during the year ended February 29, 2012 were \$118,951 compared to a loss of \$314,761 in the previous year's comparable period due to fluctuations in the Canadian and US exchange rate. The current year's resource property write-off is \$nil compared to \$2,761 during the previous year. Gain on sale of resource properties was \$nil for the current year compared to \$902,292 during the previous year due to the sale of the Guyana properties. There was a gain on sale of short term investments of \$18,788 during the previous year compared to \$nil during the current period. During the year February 29, 2012 the Company reported a loss in the fair value of marketable securities of \$65,000 compared to \$4,577 in the previous year's comparable period due to market adjustments. The current year's Share of net loss of associates is \$377,733 compared to \$443,284 during the previous year. There was also an impairment charge of associate of \$1,527,122 during the year compared to \$nil during the previous year.

Total assets increased by \$25.6 million from \$102.2 million to \$127.8 million during the period from March 1, 2011 to February 29, 2012. Current assets decreased by \$6.1 million (see "Liquidity and Capital Resources" herein), property and equipment increased by \$0.5 million while resource properties (including assets held for sale)

increased by \$32.9 million due to continued exploration expenditures. Total liabilities, primarily accounts payable and accrued liabilities were higher by \$2.4 million due to timing of payments associated with regular operating activities.

Summary of Unaudited Quarterly Results:

	29 FEB 12	30 NOV 11	31 AUG 11	31 MAY 11
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss	\$479,690	\$ 2,784,880	\$ 984,324	\$ 1,324,502
Loss per share – basic and diluted	\$ 0.001	\$ 0.010	\$ 0.004	\$ 0.005

	28 FEB 11	30 NOV 10	31 AUG 10	31 MAY 10
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss (income)	\$811,334	\$ 1,025,403	\$ 905,981	\$ (65,061)
Loss per share – basic and Diluted	\$ 0.003	\$ 0.004	\$ 0.004	\$ 0.000

LIQUIDITY AND CAPITAL RESOURCES

At February 29, 2012, the Company had cash and cash equivalents of \$19,663,714 (February 28, 2011 - \$25,666,536) and a working capital surplus of \$16,026,803 (February 28, 2011 – \$24,770,442). The decrease in cash and cash equivalents of \$6.0 million over the twelve months ended February 29, 2012, was due to financing activities (\$27.9 increase in cash), investing activities (\$30.9 million use of cash) for the on-going exploration of the Company’s resource properties and operating expenses and changes in working capital including foreign exchange losses (\$3.0 million decrease in cash). 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 of its mineral properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date, 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 appropriateness of the use of accounting principles applicable to a going concern.

As at June 25, 2012, the Company had completed the sale of its Cove, Mill Canyon and Relief Canyon properties for proceeds of:

- US\$6 million cash and securities plus a royalty for Relief Canyon;
- US\$15 million cash, the Santa Fe property valued at US\$4 million plus a contingent payment for Mill Canyon; and
- \$28 million cash and securities plus a contingent \$20 million for Cove.

These proceeds will result in a net gain for the Company in the coming fiscal year, along with associated tax liabilities. The Company is currently in the process of determining the amount of the gain and the consolidated taxes, which will be payable in 2013.

These consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) and IFRS 1 “First time adoption of IFRS” 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.

The Company is in the process of advancing its mineral properties and the recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values.

The Company holds the predominant amount of its cash in chequing and investment accounts at a major Canadian bank. The investment accounts predominantly invest in Government of Canada treasury bills.

OPERATING ACTIVITIES

During the year ended February 29, 2012, operating activities, including non-cash working capital changes, required funding of \$2.9 million (as compared with the same period during the previous year that required funding of \$2.8 million). The year over year increase in cash required for operating activities is due to the increased net loss.

RELATED PARTY TRANSACTIONS

Related parties include key management personnel, 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 who are not independent for the years ended February 29, 2012 and February 28, 2011 was as follows.

	2012	2011
Salaries and other short term employment benefits	\$1,456,269	\$1,894,736
Share based compensation	\$773,031	\$672,305

FINANCING ACTIVITIES

On November 9th, 2011, the Company closed a brokered agreement with a syndicate of underwriters (the "Underwriters") led by BMO Capital Markets, under which the Underwriters have agreed to purchase, on a bought deal basis, a combination of common shares (the "Common Shares") and flow-through common shares (the "Flow-Through Common Shares") to provide the Company with gross proceeds of C\$30,075,000 (the "Offering"). The Common Shares were sold at a price of \$0.46 per Common Share, for gross proceeds of C\$21,520,510. The Flow-Through Common Shares were sold at a price of \$0.55 per Flow-Through Common Share, for gross proceeds of C\$8,554,490. The Underwriters received a cash commission equal 6.0% of the gross proceeds from the sale of the Offering.

November 9, 2011 Financing
(All amounts are approximate)

USE OF PROCEEDS, AS PER SHORT FORM PROSPECTUS DATED NOVEMBER 9, 2011	BUDGET AS PER ORIGINAL DISCLOSURE	ACTUAL SPENT AS AT FEBRUARY 29, 2012	REMAINING TO BE SPENT*	CURRENT TOTAL FORECAST	VARIANCE CURRENT FORECAST LESS ORIGINAL BUDGET
DESCRIPTION					
Eagle Gold Project development	\$16.0	\$5.0	\$9.4	\$14.4	\$(1.6)
Yukon exploration	\$7.0	\$2.7	\$5.9	\$8.6	\$1.6
Nevada exploration	\$2.0	\$1.5	\$0.5	\$2.0	\$0
Corporate expenses	\$2.9	\$1.4	\$1.5	\$2.9	\$0
Total:	\$27.9	\$10.6	\$17.3	\$27.9	\$0

*Remaining funds are held in the form of cash or cash equivalents.

Gross proceeds from Flow-Through Common Shares were \$8.6M, \$1.6M more than originally anticipated.

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"). The Underwriters received a cash commission equal 5.5% of the gross proceeds from the sale of the Offering.

August 24, 2010 Financing
(All amounts are approximate)

USE OF PROCEEDS, AS PER SHORT FORM PROSPECTUS DATED AUGUST 16, 2010	BUDGET AS PER ORIGINAL DISCLOSURE	ACTUAL SPENT AS AT AUGUST 31, 2011	REMAINING TO BE SPENT*	CURRENT TOTAL FORECAST	VARIANCE CURRENT FORECAST LESS ORIGINAL BUDGET
DESCRIPTION					
Eagle Gold Project development	\$8.0	\$20.8	\$0	\$20.8	\$12.8
Cove Project development	\$10.0	\$0	\$0	\$0	(\$10.0)
Nevada exploration	\$5.0	\$4.0	\$0	\$4.0	(\$1.0)
Corporate expenses	\$0.5	\$2.0	\$0	\$2.0	\$1.5
Total:	\$23.5	\$26.8	\$0	\$26.8	\$3.3

*Remaining funds are held in the form of cash or cash equivalents.

The \$3.3M variance between Current Forecast and Original Budget is due to an oversubscription of the financing. The variance in development spending is the result of the Company's focus on development of the Eagle Gold Project.

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.

April 20, 2010 Financing
(All amounts are approximate)

USE OF PROCEEDS	BUDGET AS PER ORIGINAL DISCLOSURE	ACTUAL SPENT AS AT NOVEMBER 30, 2010	REMAINING TO BE SPENT	CURRENT TOTAL FORECAST	VARIANCE CURRENT FORECAST LESS ORIGINAL BUDGET
Eagle Exploration	\$4.3	\$4.3	\$0	\$4.3	\$0

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"). On January 26, 2010, the Company received a receipt for its final prospectus which qualified the distribution of 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 in connection with the Offering and received a cash commission equal to 6% of the gross proceeds from the sale of the Offering.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of June 25, 2012, the number of issued common shares was 339,364,598 (359,068,260 on a fully diluted basis).

As at June 25, 2012, there were 19,703,663 director, employee and consultant stock options outstanding with an exercise price ranging from \$0.21 to \$8.72 per share and expiring between June 26, 2012 and May 28, 2017. This represents approximately 6% of the issued and outstanding common shares.

RISK AND UNCERTAINTIES

Exploration and mining risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Financial capability and additional financing

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan.

Dependence on key personnel

Many of Victoria's personnel are specialized, highly skilled and experienced. The Company's future exploration success will depend to a significant extent on its ability to attract and retain qualified personnel. While Victoria has not experienced any significant difficulties to date in attracting and retaining personnel, there can be no assurance that this will continue. The loss of key personnel could have a material adverse effect on the Company's operations and business prospects.

Operations

Victoria's operations are subject to operational risks and hazards inherent in the mineral exploitation and extraction industry, including, but not limited to, variations in grade, deposit size, earthquakes and other Acts of God, density and other geological problems, hydrological conditions, availability of power, metallurgical and other processing problems, mechanical equipment performance problems, drill rig shortages, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, labour, and adverse weather conditions. Should any of these risks and hazards affect any of Victoria's exploration and development activities, it may cause delays or a complete stoppage in Victoria's exploration or development activities, which would have a material and adverse effect on the business of Victoria.

Government regulations and permitting

Victoria's exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which Victoria has properties regulates mining and mineral exploration activities. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to Victoria or its properties, which could have a material and adverse effect on Victoria's current exploration and development activities. Where required, obtaining necessary permits can be a complex, time-consuming process and Victoria cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Victoria from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

Title

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral concessions and claims may be disputed. While Victoria believes it has diligently investigated title to the mineral concessions and claims underlying its properties, Victoria cannot guarantee that title to any such properties will not be challenged, or that title to such properties will not be affected by an unknown title defect. Victoria has not surveyed the boundaries of all of its mineral properties and consequently the boundaries of the properties may be disputed.

Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that there solution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Risk exposure is summarized as follows:

(d) 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 funds with major commercial banks.

Credit risk relating to accounts receivable and restricted cash arises from the possibility that any counterparty to an instrument fails to perform. The Company's accounts receivable relate to recoveries of HST. Restricted cash includes reclamation bonds. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada, Newmont Mining Corporation 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 cash and cash equivalents, restricted cash and receivables. The maximum exposure is limited to amounts of cash and cash equivalents, restricted cash and receivables on the statement of financial position.

(e) 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, 2012 through May 31, 2012.

(f) Market risk

I. 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 of investing cash equivalents into fixed interest rate investments is mitigated by the short terms in which the investments mature. 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. This allows the Company to adapt its investment strategy in the event of any large fluctuations in the prevailing market rates.

II. Foreign currency risk

The Company incurs exploration expenditures in the United States and holds 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.

III. Price risk

The Company's financial assets and liabilities are exposed to price risk with respect to commodity prices and prices of the Company's equity investment, however the risk is limited due to the nature and low balance of the Company's holdings. The Company's exploration drill programs are exposed to price risk, of which the Company has little 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.

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 29, 2012.

	CARRYING AMOUNT	INTEREST RATE CHANGE (1)		FOREIGN CURRENCY CHANGE (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Cdn\$ denominated	7,263,454	72,635	(72,635)	-	-
Cash - US\$ denominated	1,343,021	13,430	(13,430)	134,302	(134,302)
Treasury funds –Cdn\$ denominated	11,057,239	110,572	(110,572)	-	-
Total cash and cash equivalents	19,663,714	196,637	(196,637)	134,302	(134,302)
Reclamation bonds - US\$ denominated (non-interest bearing)	372,396	-	-	37,240	(37,240)
Reclamation bonds - US\$ denominated (interest bearing)	321,437	3,214	(3,214)	32,144	(32,144)
Reclamation bonds - Cdn\$ denominated (non-interest bearing)	144,300	-	-	-	-
Total amount or impact - cash and deposits	20,501,847	199,851	(199,851)	203,686	(203,686)

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%.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

These are the Company's first annual consolidated financial statements prepared in accordance with IFRS.

The policies set out in the Significant Accounting Policies section (Note 2) have been applied in preparing the financial statements for the year ended February 29, 2012, the comparative information presented in these consolidated financial statements for the year ended February 28, 2011 and in the preparation of an opening IFRS statement of financial position at March 1, 2010 (the Company's date of transition).

IFRS Exceptions and Exemptions

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at March 1, 2010, the Company's "Transition Date":

(i) Property, plant and equipment

IFRS 1 provides a one-time choice of measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost under the prior GAAP. For the purpose of subsequent measurement, the Company has elected to apply the cost model for property, plant & equipment rather than the fair value model available under IFRS. The Company has elected not to use fair value as historical cost bases under Canadian GAAP have been determined to be substantially the same as under IFRS at the transition date of March 1, 2010.

(ii) ARO liability

The Company has elected to apply exemption from full retrospective application of IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities ("IFRIC 1") to the Company's decommissioning liabilities included in the cost of property, plant and equipment. In accordance with this IFRS 1 optional exemption, decommissioning and restoration liabilities of the Company are measured as at the date of transition to IFRS in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. To the extent that the liability is within the scope of IFRIC 1, the amount that would have been included in the cost of the related asset when the liability first arose is determined by discounting the liability to that date using the best estimate of the historical risk free discount rates(s) that would have applied for that liability of the intervening period. Depreciation charges based on the adjusted cost is applied prospectively from March 1, 2010.

(iii) Share-based payments

The Company has applied the share-based payments exemption in IFRS 1 to apply IFRS 2 "Share based Payments" only to equity instruments that were issued after November 7, 2002 and had not vested by the transition date.

(iv) Business combinations

The Company has applied the business combinations exemption in IFRS 1 to not apply IFRS 3, "Business Combinations" retrospectively to past business combinations. Accordingly, the Company has not restated business combinations that took place prior to the transition date.

(v) Leases

The Company has elected under IFRS 1 not to reassess whether an arrangement contains a lease under IFRIC 4 for contracts that were assessed under previous Canadian GAAP. Arrangements entered into before the effective date of EIC 150 that have not subsequently been assessed under EIC 150, were assessed under IFRIC 4, and no additional leases were identified.

(vi) Functional currency

IFRS 1 provides an exemption to not apply the guidance of IAS 21, *The Effects of Changes in Foreign Exchange Rates*, for cumulative translation adjustments that existed at the Transition Date. Retrospective application of IAS 21 would require the Company to determine cumulative currency translation differences from the date a subsidiary or other investee was formed or acquired. The Company has elected to apply the exemption under IFRS 1 and as such, reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS.

Mandatory exceptions to retrospective application

In preparing these annual consolidated financial statements in accordance with IFRS the Company has applied certain mandatory exceptions from full retrospective application of IFRS. The mandatory exceptions applied from full retrospective application of IFRS are described below.

Estimates

Hindsight was not used to create or revise estimates and accordingly the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

Other IFRS 1 exemptions and mandatory exceptions have not been discussed above as they are not applicable to the Company.

In preparing its opening IFRS balance sheet, the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and financial performance is set out in the following tables and the additional notes that accompany the tables.

The Company's first-time adoption did not have significant impact on the total operating, investing or financing cash flows.

Transitional Financial Impact

The tables below outline:

- a) Adjustments to the Corporation's equity on adoption of IFRS on March 1, 2010, and February 28, 2011 for comparative purposes.
- b) Adjustments to statement of income for the year ended February 28, 2011.

The following tables should be read in conjunction with the more detailed footnotes in the interim financial notes as referenced in the tables.

Reconciliation of equity:

	Notes	March 1, 2010			February 28, 2011		
		Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets							
Current assets							
Cash and cash equivalents		19,846,495	-	19,846,495	25,666,536	-	25,666,536
Marketable securities		473,002	-	473,002	162,850	-	162,850
Accounts receivable		276,192	-	276,192	696,922	-	696,922
Prepaid expenses		191,849	-	191,849	567,586	-	567,586
		20,787,538	-	20,787,538	27,093,894	-	27,093,894
Restricted cash		826,389	-	826,389	718,970	-	718,970
Investment in Takara Resources Inc.		-	-	-	2,859,887	-	2,859,887
Property and equipment		975,441	-	975,441	5,460,467	-	5,460,467
Deferred transaction costs		-	-	-	-	-	-
Resource properties	c) & f)	53,241,098	(1,757,568)	51,483,530	70,685,263	(4,663,628)	66,021,635
Total assets		75,830,466	(1,757,568)	74,072,898	106,818,481	(4,663,628)	102,154,853
Liabilities and Shareholders' Equity							
Current liabilities							
Accounts payable and accrued liabilities		4,034,846	-	4,034,846	2,300,914	-	2,300,914
Deferred premium	a) (1)	-	-	-	-	-	-
Current portion of ARO		24,381	-	24,381	22,558	-	22,558
		4,059,227	-	4,059,227	2,323,472	-	2,323,472
Asset retirement obligations ("ARO")	c)	719,765	169,695	889,460	1,001,787	169,695	1,171,482
		4,778,992	169,695	4,948,687	3,325,259	169,695	3,494,954
Shareholders' Equity							
Capital stock	a)	89,376,881	(6,982)	89,369,899	123,875,070	263,592	124,138,662
Warrants							
Contributed surplus	b)	9,039,932	322,733	9,362,665	9,540,337	8,327	9,548,664
Accumulated other comprehensive loss	f)	-	-	-	-	(2,906,060)	(2,906,060)
Deficit	a) & b)	(27,365,339)	(2,243,014)	(29,608,353)	(29,922,185)	(2,199,182)	(32,121,367)
Total equity		71,051,474	(1,927,263)	69,124,211	103,493,222	(4,833,323)	98,659,899
Total liabilities and equity		75,830,466	(1,757,568)	74,072,898	106,818,481	(4,663,628)	102,154,853

Reconciliation of loss and comprehensive loss for the year ended February 28, 2011:

	Notes	For the year ended February 28, 2011		
		Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Share-based payments	b)	982,472	(314,406)	668,066
Salaries and benefits excluding share-based payments		1,399,548	-	1,399,548
Office and administrative		588,332	-	588,332
Consulting		144,193	-	144,193
Marketing		394,744	-	394,744
Legal and accounting		404,313	-	404,313
Amortization		56,691	-	56,691
Resource property costs and impairments		2,761	-	2,761
Premium on flow-through shares	a) (1)	-	(820,000)	(820,000)
		3,973,054	(1,134,406)	2,838,648
Loss before the undernoted		(3,973,054)	1,134,406	(2,838,648)
Foreign exchange (gain) loss		314,761	-	314,761
Share of net loss of equity investment		443,284	-	443,284
Change in fair value of marketable securities		4,577	-	4,577
(Gain) loss on disposal of mineral properties		(902,292)	-	(902,292)
(Gain) loss on sale of short term investments		(18,788)	-	(18,788)
Interest and bank charges		21,356	-	21,356
Interest income		(188,532)	-	(188,532)
		(325,634)	-	(325,634)
Loss before taxes		(3,647,420)	1,134,406	(2,513,014)
Income tax recovery	a) (2)	1,090,574	(1,090,574)	-
Net loss for the year		(4,737,994)	2,224,980	(2,513,014)
Other Comprehensive income (loss)				
Currency translation adjustment	f)	-	(2,906,060)	(2,906,060)
Share of other comprehensive income of associates	a) (2)	-	-	-
Total Comprehensive loss for the year		(4,737,994)	(681,080)	(5,419,074)
Net income (loss) per share:				
Basic and diluted gain (loss) per share		(0.019)		(0.010)
Weighted average number of shares				
Basic and diluted		254,418,707		254,418,707

Business Activities and Key Performance Measures

The Company has assessed the impact of the IFRS transition project on our financial covenants and key ratios. The transition did not significantly impact the Company's covenants and key ratios.

Information Technology and Systems

The IFRS transition project did not have a significant impact on our information systems for the convergence periods. The Company does not expect significant changes in the post-convergence periods.

Post-Implementation

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. The Company notes that the standard-setting bodies that determine IFRS have significant ongoing projects that could impact the IFRS accounting policies that have been selected. In particular, there may be additional new or revised IFRSs or IFRICs in relation to consolidation, joint ventures, financial instruments, hedge accounting, discontinued operations, leases, employee benefits, revenue recognition and stripping costs in the production phase of a surface mine. The International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact the Company's financial statements. The Company has processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations will be evaluated as they are drafted and published.

CONTRACTUAL COMMITMENTS

The Company has no contractual commitments, other than leases on offices entered into in the normal course of business (Note 16). All mineral property agreement commitments are at the option of the Company and the Company can terminate the agreements prior to being required to make payments on the properties.

FOREIGN EXCHANGE

The Company's US operations are denominated in USD, the functional currency of the US entities. The functional currency of all other entities is the Canadian dollar. The presentation currency of the Company is the CAD. Accordingly, fluctuations in the exchange rates (USD/CAD) may significantly impact the consolidated results of operations and the consolidated reported net assets. The effect of changes in currency fluctuations from the functional currency to the presentation currency on the operations' net assets is recorded in the Company's shareholders' equity as a cumulative translation adjustment.

OFF-BALANCE SHEET TRANSACTIONS

During the most recent fiscal year ended February 29, 2012, and up to the date of this report, the Company had no off-balance sheet transactions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated 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 consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. No impairment indicators of non-financial assets have been noted for the years ended February 29, 2012, February 28, 2011 as at March 1, 2010 other than the impairment taken on investment in associate (*Note 6*).

Stock-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards and the number of awards that are expected to vest. These estimates affect the amount recognized as stock based payments in the consolidated statements of loss and comprehensive loss based on estimates of forfeiture, stock price volatility and expected lives of the underlying stock options.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Management did not recognize deferred tax assets as future taxable profits are not expected until the Company reaches technical feasibility and commercial viability of the extraction of the mineral resources, the timing of which is uncertain as the Company is still in the exploration and evaluation stage.

Accounting standards and interpretations issued but not yet effective

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. Management has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

IFRS 9, "Financial Instruments" ("IFRS 9")

In November 2009, the IASB issued IFRS 9, "Financial Instruments", replacing IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 will be issued in three phases. The first phase, which has already been issued, addresses the accounting for financial assets and financial liabilities. The second phase will address impairment of financial instruments, while the third phase will address hedge accounting.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods currently provided in IAS 39.

Requirements for financial liabilities were added to IFRS 9 in October 2010. Although the classification criteria for financial liabilities will not change under IFRS 9, the fair value option may require different accounting for changes to the fair value of a financial liability resulting from changes to an entity's own credit risk.

In December 2011, the IASB issued amendments to IFRS 9, extending the mandatory effective date for implementation of IFRS 9, which is now effective for annual periods beginning on or after January 1, 2015, although early adoption is permitted, with varying transitional arrangements dependent on the date of initial application.

IFRS 10, "Consolidation" ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "Consolidation—Special

Purpose Entities” and parts of IAS 27, “Consolidated and Separate Financial Statements” (“IAS 27”). This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 11, “Joint Arrangements” (“IFRS 11”)

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas, for a joint operation, the venturer will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, “Interests in Joint Ventures”, and SIC-13, “Jointly Controlled Entities—Non-monetary Contributions by Venturers”. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 12, “Disclosure of Interests in Other Entities” (“IFRS 12”)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, equity accounted investments, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 13, “Fair Value Measurement” (“IFRS 13”)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (“IFRIC20”)

In October 2011, the IASB issued IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 must be applied starting January 1, 2013 with early adoption permitted.

Amendments to Other Standards

In addition to the issuance of new standards as detailed above, there have also been amendments to existing standards, including IAS 1, “Presentation of Financial Statements” (“IAS 1”), IAS 19, “Employee Benefits” (“IAS 19”), IAS 27, “Consolidated and Separate Financial Statements”, IAS 28, “Investments in Associates and Joint Ventures” (“IAS 28”), IFRS 7, “Financial Instruments: Disclosures” (“IFRS 7”) and IAS 32 “Financial Instruments: Presentation” (“IAS 32”).

The amendments to IAS 1 will require that entities group items presented in other comprehensive income (“OCI”) based on an assessment of whether such items may or may not be reclassified to earnings at a subsequent date. Amendments to IAS 1 are applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted.

Amendments to IAS 19 eliminate an entity's option to defer the recognition of certain gains and losses related to post-employment benefits and require remeasurement of associated assets and liabilities in OCI. Amendments to IAS 19 are applicable on a modified retrospective basis to annual periods beginning on or after January 1, 2013, with early adoption permitted.

The amended IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 through 13 as outlined above. Amendments to IAS 27 and IAS 28 are applicable to annual periods beginning on or after January 1, 2013, with early adoption permitted. Amendments to IFRS 7 require the disclosure of information that will enable users of an entity's financial statements to evaluate the effect, or potential effect, of offsetting financial assets and financial liabilities, to the entity's financial position. Amendments to IFRS 7 are applicable to annual periods beginning on or after January 1, 2013, with retrospective application required.

The amendments to IAS 32 clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014, with retrospective application required. Early adoption is permitted.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and reclamation bonds. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The reclamation bonds are held with a state of Nevada governmental institution, a joint venture partner or as letters of credit at Wells Fargo and represent restricted cash, which will be returned to the Company upon the satisfactory completion of reclamation obligations. The reclamation bonds and certain of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in \$US leading to currency risk arising from fluctuations in the \$C and \$US exchange rate. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

"John McConnell"

John McConnell
Chief Executive Officer & President

"Marty Rendall"

Marty Rendall
Chief Financial Officer