



YUKON'S NEXT **GOLD MINE** | TSX-V: VIT



Potato Hills Press

EDITION 8 – SPRING 2013

Environmental Assessment Complete

On February 19, 2013 the Yukon Environmental and Socio-Economic Assessment Board (YESAB) issued their Final Screening Report and Recommendation for the Eagle Gold Project. YESAB recommended the Yukon Government and Government of Canada allow the Eagle Gold Project to proceed subject to the terms and conditions specified in the Screening Report.

The Environmental Assessment review process of the Eagle Gold Project started in December 2010. Over the past two years Victoria has consulted with the general public, YESAB, First Nation of Na-Cho Nyak Dun, Yukon Government and Federal agencies to assess the environmental and socio-economic effects of the Project while maintaining strict environmental and safety standards. Consultation played a very important part in the successful completion of the assessment. We sincerely thank all those who participated in this process.

Next Steps for the Eagle Gold Project: Quartz Mining Licence Application

The completion of the Environmental Assessment marks a major milestone for the Project. Victoria can now move forward and apply for the licences and permits required to construct and operate the mine. Major regulatory approvals required include the Quartz Mining Licence (QML) and the Type A Water Use Licence.

The QML application will be submitted in two parts: Part 1 for year one construction and Part 2 for year two construction and operations. The QML Part 1 Applications consists of multiple construction and environmental protection plans. The QML plans will incorporate terms and conditions stipulated in the Decision Documents issued under YESAA.

Victoria is planning to submit the QML Application to the Department of Energy Mines and Resources in May 2013. Upon receipt of the QML, Victoria can proceed with initial construction activities.

WELCOME

Message from the President

As announced on May 6, the Board of Directors and Management determined an equity financing to support on-site construction activities was not prudent given the current headwind gold mining companies are experiencing in the capital markets.

Victoria is disappointed to not begin construction this season but we believe that this is the best option to preserve shareholder value. Negotiations on non-equity financing are proceeding very well with likely well over half of the project financing available from non-equity sources. Equity markets remain seriously challenged and have resulted in a severely undervalued share price relative to the project value. This is particularly evident when considering the Project is technically sound, with an approved environmental assessment, in a safe mining-friendly jurisdiction, capable of producing 200,000 ozs gold/year with a reasonable projected capital cost for its size, as well as attractive expected operating margins.

I'd like to highlight that Victoria is actually in a very good position with a rare opportunity – Eagle Gold is a shovel ready project capable of significant production at a reasonable cash cost and relatively modest capital requirements to build. The Company also has \$35 million in working capital which is sufficient to complete all the work necessary to begin construction.

We are planning to begin construction on site in Spring of 2014. Work this year will include upgrading the access road and bridges, an earthworks program to prepare the heap leach pad foundation berm, complete the application process for licences and permits and follow-up exploration activities on the Dublin Gulch property.

I realize that although this news is disappointing, we thank the many people who have contributed in advancing Eagle to this point. We will continue to take the right steps, however hard they may be, to best ensure that Eagle is an economic and socially responsible success for our stakeholders and Yukoners.

Sincerely
John McConnell

CBA Committee Holds First Annual Meeting

The First Nation of Na-Cho Nyak Dun (NND) and Victoria Gold Corp. (Victoria) entered into a Comprehensive Cooperation and Benefits Agreement (CBA) for the Eagle Gold Project and mineral exploration claims located within the NND traditional territory, south of the Werneke Mountains October 17, 2011.



1st Annual CBA Committee meeting held at the Eagle Gold site. Participants (L-R, standing) D. Buyck, M. Pealow, A. Leckie, S. Howson, S. Buyck, R. Peter, B. Blanchard, M. Peter, J. McConnell. (sitting) M. Olsen, K. Arychuk, N. Young

The CBA was developed to enhance and foster communication, identify potential employment and business opportunities and set out methods for the NND and Victoria to work together to optimize potential opportunities. The CBA will also help the NND and Victoria monitor the project, identify and develop strategies to help mitigate any possible adverse impacts while respecting and promoting the NND's desired environmental protection objectives.

To help implement the CBA three key positions were developed; NND Community Liaison, Victoria Community Liaison and NND Environmental Monitor. In addition to these three critical positions, a CBA Committee was formed to work with both parties and provide strategic direction and support. The Committee meets on a regular basis to review on-going activities and upcoming work and ensures that maximum opportunities are being derived from the agreement.

As part of the Committee's on-going work, an annual report was compiled providing a summary of Victoria's activities during 2012. The report focused primarily on an assessment of the implementation of the CBA, and included recommendations from the Committee for 2013. The 2012 Annual CBA Implementation Report was presented to NND Council by Victoria's Management at the first annual meeting on April 23rd. The meeting was held at the Eagle Gold Project site and was attended by 12 people including NND Councillors, NND Government (Lands Department) and Victoria's President & CEO, John McConnell.

Attendees included:

- Natasha Young, NND Liason
- Ron Peter, NND Environmental Monitor
- Carolyn Uher, NND Environmental Officer
- Steven Buyck, NND Lands Department
- Beverley Blanchard, NND Deputy Chief
- Millie Olsen, NND Councillor
- Mikoly Peter, NND Councillor
- Michael Pealow, NND CBA Committee Member
- Anne Leckie, NND CBA Committee Member
- Sally Howson, Victoria Gold Community Liaison
- Dennis Buyck, Victoria Gold CBA Committee Member
- Kelly Arychuk, Victoria Gold, VP Mine Support Services and CBA Committee Member

Victoria Awards NND CBA Scholarships

As part of the Comprehensive Cooperation and Benefits Agreement (CBA), Victoria and NND have established a scholarship program for NND citizens attending college, trades/ technical and university programs on a full time basis.

Victoria is pleased to have awarded three scholarships to NND citizens for the 2013 winter school term. The total amount awarded for the 2012/2013 year was \$10,000. Victoria would like to congratulate the following students, Lila Erasmus, Joshua Kelly, and Acacia Catcheside.

Please note the cut-off date to apply for the 2013 fall semester scholarship is August 6, 2013. The scholarship brochure and application form can be downloaded from the NND web site or you can contact the NND Education and training office.



Lila Erasmus
\$1,000
Master of Arts, Dispute Resolution



Joshua Kelly
\$1,000
General Studies Program



Acacia Catcheside
\$1,500
Bachelor of Science Program

WHAT'S NEXT?

Eagle Gold Project:
Proposed Plans for 2013

- Upgrade of the access road and bridges;
- Earthworks to prepare the leach pad foundation berm;
- Continue permitting activities for the Quartz Mining License and Water Use License applications;
- Detailed engineering to support permitting requirements;
- Detailed engineering to support 2014 construction;
- Engineering trade off studies aimed to further improve the project or the Company's ability to finance the project; and
- Exploration program.

NND Human Resource and Business Registries



1st Annual CBA Committee Meeting site tour

Victoria is committed to hiring local residents and utilizing local contractors. The NND Human Resource and Business Registries are very important source of information for Victoria and our contractors when hiring employees and tendering contracts.

The NND Business Registry will be used as part of Victoria's contract tendering and procurement procedures for exploration programs as well as contracts for construction of the future Eagle Gold mine.

The NND Human Resource Registry will help identify NND citizens who may want to work in exploration or at the mine site.

Natasha Young, NND Liaison, is responsible for developing and maintaining the two registries. Information on the NND Human Resource and Business Registries can be found on the NND or Victoria Gold's websites or you can contact Natasha directly. If your information is already registered on either of the registries please remember to send any updates, such as a change in contact information, to Natasha, tel: 867-996-2265 ext. 131 or email : natasha.young@nndfn.com

Site Operations and Exploration Update



Upgrades to the access road.

Even though Mayo was recorded as the coldest inhabited place on the planet on 3 separate occasions between November 2012 and January 2013, it didn't stop work at the Eagle Gold Project site.

Activities undertaken at site this winter included ongoing maintenance, training and inventory activities. Ewing Contracting, RTL, NND Development Corp. and Beurge Transport in conjunction with the Department of Highways and Public Works contributed to upgrading the access road this winter. A new storage facility was installed at the mine site with

assistance from Ewing Contracting and local carpenters from Walters/Decharme and Whitehorse based New Age Drilling completed a drill program during the extreme temperatures.

In addition, we hosted site visits for prospective contracting companies to gain a better understanding of the Project and the requirements to aid in the contract bidding process. We also hosted the NND at the site in April for the first annual Cooperative Comprehensive Benefits Agreement (CBA) meeting.

Since the last newsletter, Victoria's exploration team has completed 3000 meters of diamond drilling at the Olive prospect, approximately 5 km north of Eagle, and received the results of the sampling program conducted on the Cat B claims in September 2012. Work over the winter has focussed on compiling data, interpreting the results and determining future exploration targets. Victoria's exploration team is looking forward to following up and expanding on this information in 2013.

COMMUNITY CALENDAR

VICTORIA GOLD PARTICIPATION:

- APRIL 17** Every Day Every Student Fundraiser, Whitehorse
- APRIL 20** Community Newspapers Awards Gala, Vancouver
- APRIL 22** CBA Committee Meeting, Mayo
- APRIL 22** Meeting with Village of Mayo Council, RCMP, Firefighters
- APRIL 23** Eagle Gold Site Tour, CBA Annual Meeting, Mayo
- MAY 2** Yukon Heritage Fair, Whitehorse
- MAY 7-11** Mining Week, Whitehorse
- MAY 9** Yukon Mining Procurement Conference
- MAY 13** Victoria Gold Community Meeting, Mayo
- MAY 17-18** Dawson Gold Show, Dawson City
- JUNE 21** Aboriginal Day, Mayo
- JUNE 21** JV Clark Awards Ceremony
- JUNE 22-23** Art in the Park, Mayo
- JUNE 22-23** Mid-Night Marathon, Mayo
- JULY 1** Canada Day celebration, Mayo
- JULY 5-6** NND Annual General Assembly, Mayo
- JULY 20** Skookum Charity Golf Tournament, Whitehorse
- AUGUST 7-8** Dawson Rocks, Dawson City
- OCTOBER 5** Every Student, Every Day Gala Fundraiser, Whitehorse

EAGLE GOLD SUDOKU

Sudoku is a game of logic. Each row, column and 3x3 block must contain each letter only once.

The letters used in the puzzle include: a D E e G g L I and O, and note that the capital and small letters are not interchangeable.

Enjoy and Good Luck! For the solution, please contact us at php@vitgoldcorp.com

	D			E	a	I		g
G	g			I	e	D		
a	E							
L		g				D	O	
D	O		g	L	e		I	E
	I	E				L		G
							L	O
			a	O	L		e	I
E		O	e	I				a

Every Student, Every Day

\$50,000 awarded to 11 attendance projects throughout the Yukon!

Last fall, the Victoria Gold Yukon Student Encouragement Society held its first ever, Every Student, Every Day gala fundraiser raising \$50,000 to help improve student attendance in schools throughout the territory. Communities and schools were invited to develop programs specifically designed to encourage youth in their community to improve their attendance in school and submit proposals for financial assistance.



Every Student, Every Day Reception at MacBride Museum

The Society carefully considered all 22 applications received. The successful applicants were announced at an Every Student, Every Day Reception held at the MacBride Museum of Yukon History on April 17, and include:

APPLICANT	STRATEGY	AMOUNT AWARDED
Kwanlin Dün First Nation	"Unravelling the Mystery"	\$2,000
Watson Lake School Council, Johnson Elementary School and Liard First Nations	"Family and School Together" (FAST)	\$5,000
Elijah Smith Elementary School	"Elijah Smith Attendance: Information, Support, and Success"	\$2,000
Ross River Dena Council	"Facilitated Community Meeting"	\$3,500
Robert Service School, Tr'ondëk Hwëch'in Education, Robert Service School Council	"Hand in Hand: Working together Towards Brighter Futures"	\$11,500
Takhini Elementary School	"Alarm Clocks for Students"	\$1,670
J.V. Clark School	"Job-embedded Professional Development on Trauma Informed Care"	\$4,000
Chief Zzeh Gittlit School	"Student Clock Radio Project"	\$580
Jack Hulland Elementary School and School Council	"Home and School Support Liaison"	\$11,500
St. Elias Community School	"Identifying Attendance Challenges in St. Elias Community School from K-12"	\$5,650
F.H. Collins Secondary School	"Improving School Attendance Through Positive Alternative Monitoring and Mentoring"	\$2,600
TOTAL		\$50,000

The Society is encouraged by the response in our first year and look forward to reporting on the success of these projects next year as well as awarding additional funds in the future. We share this success with the businesses and individuals who generously contributed sponsorships and donations and wish to extend a special thank you to our Legacy Sponsor, Air North.

Save the Date: The 2013 Every Student, Every Day Gala will be on October 5, 2013

The Victoria Gold Yukon Student Encouragement Society (VGYSES), in partnership with Yukon Education is committed to helping students build a solid foundation for opportunities in the future by encouraging them to attend school regularly and successfully complete their grade school education. For more information about the initiative, or to make a donation, kindly contact Lenora Hobbis at VGYSES@vitgoldcorp.com.

PROJECT INFORMATION

PROJECT TEAM

John McConnell	DIRECTOR, PRESIDENT & CEO
Andy Kaczmarek	CHIEF OPERATING OFFICER
Mark Ayranto	EXECUTIVE VICE PRESIDENT
Rich Eliason	VICE PRESIDENT, EXPLORATION
Kelly Arychuk	VICE PRESIDENT, MINE SUPPORT SERVICES
Hans Rygersberg	PROJECT MANAGER
Mike Gunn	SITE MANAGER
Hugh Coyle	MANAGER, LANDS AND PERMITTING
Todd Goodsell	MANAGER, PERMITTING AND ENVIRONMENTAL COMPLIANCE
Almaz Balapanov	MANAGER, SAFETY, HEALTH AND COMPLIANCE
Sally Howson	COMMUNITY LIAISON
Shelly McDonald	OFFICE ADMINISTRATOR – WHITEHORSE

COMPANY CONTACTS

Victoria Gold Corp. plans to design, construct, operate and close the Eagle Gold Project located northeast of Mayo, Yukon in the Dublin Gulch claims region. The Company is also furthering exploration work in the region. The Potato Hills Press provides progress information on these projects and was produced with thanks to contributors: Mark Ayranto, Kelly Arychuk, Sally Howson, Todd Goodsell, Mike Gunn, Hugh Coyle, Shelly McDonald & Lenora Hobbis.

We welcome your comments and questions. For more information please contact us at php@vitgoldcorp.com

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