

# POTATO HILLS PRESS

## Welcome

It is my pleasure to introduce myself to you as Victoria Gold's newly appointed Chief Operating Officer (COO). My first week, indeed my first day with the company, started in Whitehorse accompanied by Mark Ayranto, our Vice President – Yukon. We were in town together with Kelly Arychuk and Sally Howson to attend the 3rd Annual Yukon First Nations Resource Opportunities Conference followed by a trip to our Dublin Gulch property with a stop in Mayo for a community meeting and to meet the FNNND Council. Since then I have visited all our offices and operations in Canada and Nevada and am now eager to roll up my sleeves.

My role is to oversee and manage the operations of the company, which includes the development and operations of the future Eagle Gold mine. As the company's most advanced project I look forward to ensuring that the project meets its ambitious schedule to begin production in 2014/15. I realize that this is not a one-man job and I am greatly impressed by and fortunate to join the team of highly capable and dedicated staff at Victoria Gold who by working together, will get the job done.

The proposed Eagle Gold mine is designed to be an open pit, in-valley leach operation. I bring to Victoria over 35 years of experience in mining operations and project development including several heap leach projects, the latest one just commissioned in east-central Turkey last year. I have been associated with successful companies that demonstrate vision and integrity and that develop projects which provide benefits to all stakeholders and that have great respect for the land and community in which they operate. It is very heartening to see that Victoria Gold, its management and staff clearly are committed to upholding these same values.

Prior to my coming to Victoria Gold, the project team had completed the Eagle Gold Feasibility Study and NI 43-101 Technical Report. Now the focus is to select and retain qualified companies to advance the Project through detailed engineering while at the same time moving forward with the Environment Assessment process to secure the permits and licenses that will allow us to commence construction. Before commencing construction we need to secure project financing and are now working with financial advisors to select the best instruments available to us. In the meantime we have sold certain assets in Nevada so as to better focus on our Yukon operations. Currently we are negotiating a power purchase agreement with Yukon Energy and we are meeting all our commitments to, and strengthening our ties with the First Nation of Nacho Nyak Dun as per our signed Cooperative Comprehensive Benefits Agreement. Victoria Gold continues to grow, adding key staff to ensure successful project development and will continue to contribute to the Yukon economy in the coming years by providing training, skilled jobs and business opportunities as we move towards building and operating the largest gold mine ever in the Yukon.

During my career I've had the honour to become involved and welcomed into the local communities and I endeavour to be deserving of your trust and friendship. I look forward to meeting with you at the upcoming community and governmental events.

Respectfully,  
Andy Kaczmarek

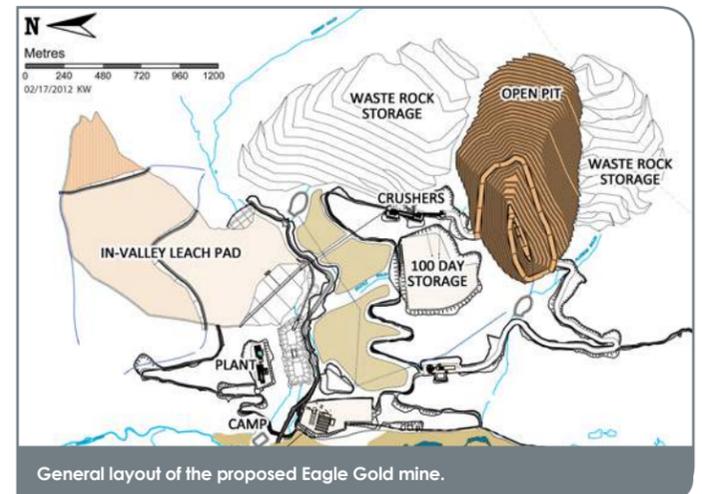
## Eagle Gold – The Largest Gold Mine in Yukon History!

Victoria is pleased to announce that we have completed the Eagle Gold Project Feasibility Study in February of this year. This is a significant milestone towards the development of the Eagle Gold Project, located at Dublin Gulch, approx. 65 km north of Mayo. The study confirms that the future Eagle Gold mine will produce nearly 200,000 ounces of gold per year for ten years making Eagle Gold the largest gold mining operation in the Yukon, ever.

This important study was a combined effort of Tetra Tech, Merit Consultants International Inc., SRK Consulting (U.S.) Inc., BGC Engineering, Kappes Cassiday and Associates, and Knight Piesold. As each project is unique in location, topography, climate, access, etc., the many different approaches on how to mine the gold are carefully considered and compared to ensure an environmentally sound and economically viable project. This includes such things as confirming where the gold is, how it will be mined and processed, what infrastructure already exists, where the additional facilities will be located, the cost and accessibility to get materials and supplies to the site, the climate, governmental regulations, environmental considerations, workforce availability etc. The fact that the Eagle Gold Project already has year round road access, a 100-person camp, is close to the Yukon power grid and is near to an existing airstrip all contribute to make the project feasible.

The Eagle Gold Feasibility Study confirms that the most economical way to mine and produce gold from the Eagle Gold deposit remains unchanged and will be an open pit, 3-stage crush, in-valley leach, mining operation. This means that in mining terms, this is a straight forward and low cost operation using proven technology that has been demonstrated to work around the world, including in cold climates comparable to Dublin Gulch.

The ore will be blasted and hauled from the open pit to a series of three crushers, and then the crushed ore will be stacked on a double lined pad where it will be leached to extract the gold from the ore. Gravity will draw the leaching solution down through the ore as it releases and absorbs the gold from the ore. The pregnant solution (containing the gold) will then be pumped to a processing plant where the gold will be recovered and poured into dore bars.



The NI 43-101 Technical Report is available on our website and contains a detailed summary of the planned Eagle Gold operations.

Highlights of the Feasibility Study confirm that Eagle Gold:

- contains 2.3 million ounces of probable gold reserves (mineable gold)
- is designed to produce approx. 200,000 ounces of gold per year
- will produce 1.7 million ounces of gold over 10 years of mining operations
- construction cost of <\$400 million dollars
- will employ approx. 600 people during construction and 350-400 people during operations
- will cost approx. \$615 per ounce of gold to produce, and
- will pay for itself in 3.1 years

The next step is to raise construction capital and contract a team of Engineering, Procurement and Construction Management (ECPM) professionals to complete the detailed engineering and be ready to construct the mine when the Environmental Assessment is complete and licences are secured. Throughout this process we are committed to communicating with the community and stakeholders to ensure that concerns are considered.

## Community Connections

### Victoria Gold Corp. Works with First Nation of Nacho Nyak Dun (FNNND) to Implement the Comprehensive Cooperation and Benefits Agreement (CBA)



Mark Ayranto, VP Yukon and Sally Howson, Community Liaison present information at the Eagle Gold Project Construction Phase - Business Opportunities Community Meeting.

The FNNND and Victoria Gold Corp. signed the CBA on October 17<sup>th</sup>, 2011. The CBA builds on our earlier exploration agreement and is another major milestone in building a cooperative working relationship between the two parties. Some key objectives of the CBA are to promote effective communication between FNNND and Victoria, and to provide business and employment opportunities related to the Eagle Gold Project.

Victoria is holding a series of three public sessions in Mayo to discuss the potential business opportunities that the Eagle Gold Project construction phase may bring to the FNNND citizens and businesses. The first of these sessions was held December 12<sup>th</sup> and the second meeting was held March 22<sup>nd</sup>. Victoria's new Chief Operating Officer, Andy Kaczmarek joined Mark Ayranto, VP Yukon, Kelly Arychuk, VP Mine Supply Services, and Sally Howson, Community Liaison at the March session.

In addition to providing information on potential business opportunities, the March session included an overview of the 2012 exploration program, the Eagle Gold Feasibility Study and an update on the Eagle Gold Project permitting process. The third meeting in the series is scheduled for a date in June.

### Community Calendar

#### Victoria Gold Participation:

**December 12:** 1<sup>st</sup> of 3: Community Meeting - Eagle Gold Project Construction Phase - Business Opportunities, Mayo.

**March 2:** Career Fair, Mayo.

**March 20-21:** Yukon First Nations Resource Opportunities Conference and Job Fair, Whitehorse:

- Mark Ayranto, VP Yukon and Simon Mervyn, Chief, First Nation Nacho Nyak Dun joint presentation: "Developing Yukon's Next Gold Mine", at the Mining and First Nations Relations Session.
- Job Fair.

**March 22:** 2<sup>nd</sup> of 3: Community Meeting - Eagle Gold Project Construction Phase - Business Opportunities, Mayo.

**May 3:** Yukon Heritage Fair, Whitehorse. Victoria Gold sponsored J.V Clark school participation in the fair.

**May 5:** Silver Trail Chamber of Commerce Annual General Meeting, Moose Creek.

#### Upcoming Events:

**May 11-12:** Mining Week, Whitehorse. The public is invited to visit our tent at the Mining and Exploration Discovery Camp.

**May 18-19:** Dawson Gold Show, Dawson City: John McConnell will attend.

**Date TBD:** 3<sup>rd</sup> of 3: Community Meeting - Eagle Gold Project Construction Phase - Business Opportunities.

**July 6-8:** FNNND Annual General Meeting, Mayo.

**Safety Tip**

Victoria Gold is committed to the health and safety of its employees and visitors while at the Eagle Gold Project site and at home. Our commitment to safety has taken on a new look and feel with the arrival of Neil Bottrell, Manager, Health & Safety.

Neil advises:

Some people won't wear Personal Protective Equipment (PPE) unless they absolutely have to. But the fact is nobody wants to be injured or killed. That's why employers conduct hazard assessments to determine what PPE is required and when as required by regulatory agencies and industry best practices. If the assessment identifies risks that can only be dealt with through PPE, then PPE is required. PPE is just one solution used by industry to address safety concerns, reduce employee exposure to hazards and make the workplace safer for all. Employers know that safety must come first - before comfort, style or any other consideration. Common types of PPE include eye protection, hard hats, hearing protection and safety boots.

**Golden Opportunities**

Ensuring that the FNNND and all Yukon residents are kept informed of the "Golden Opportunities" as a result of the Eagle Gold Project is important to us. This includes golden opportunities around employment and business. We are pleased to welcome the following people to our outstanding team:

- Andrew Kaczmarek, COO
- Ben Lacasse, IT Manager
- Garry Kijek, Project Controller
- Neil Bottrell, Manager, Health & Safety
- Brianne Zimmerman, Geologist
- Krystle Milligan, Geologist
- Ryan Marumo, Geologist
- Ty Magee, Field Technician
- Michael O'Connell, Field Technician
- Ryan Pallard, Field Technician
- Johan Borst, Field Technician
- Steve Wozniak, Field Technician
- Buffy Geiner, Office Administrator
- Shelly McDonald, Office Administrator (Whitehorse Office)

If you are interested in employment opportunities with Victoria Gold Corp. please view our website at [www.vitgoldcorp.com](http://www.vitgoldcorp.com)

**Spring has sprung at the Eagle Gold Project at Dublin Gulch.**

Site has been a hub of activity throughout the winter as we support our year round drilling activities. This includes drilling, core cutting, maintenance of camp and equipment, shipping and receiving, workforce rotations and hospitality – all whilst observing our strict health and safety measures. With an increase in activities and population at site, we appreciate everyone's adherence to the health and safety guidelines so that we all can enjoy a safe work environment.

In addition, spring cleaning at site is well underway with the assistance of local Mayo contractors currently working at site: Walters Construction & Industrial Corp. is providing general camp maintenance; Ewing Transport have their heavy equipment crew maintaining the roads and drill sites; and Rick's Enterprises provides regular deliveries and personnel transport to and from site. We have also hired a number of youth from Mayo to assist around site and to acquire valuable work experience in a camp setting. We have personnel from Mayo, Keno, and Whitehorse employed in camp.

Victoria Gold ensures employees and contractors are given the tools and training to continue to perform their jobs safely. Our current site supervisors are working with both the Yukon WCB and the Northern Safety Network to achieve certification as Frontline Supervisors as outlined in the Yukon Occupational Health and Safety Regulations.



Ongoing road maintenance

The Eagle Gold Project will be the host of the inaugural Yukon Industrial Fire Brigade Training in May. The course will supply workers at Dublin Gulch with training in Fire Science, Fire Fighting Equipment and Emergency Response while representing the intent of the National Fire Protection Association Standard 1081 Incipient Level Industrial Fire Brigade. This program was developed by the Northern Safety Network and Victoria Gold Corp. and will be the first course of its kind for remote mine sites in the Yukon.

**What's Next**

- Continue to work closely with YESAB to successfully complete the Environmental Assessment to move into the regulatory review process.
- Continue to work with the First Nation of Nacho Nyak Dun to implement the CBA (Cooperative Comprehensive Benefits Agreement).
- Secure project financing to fund the construction of the mine infrastructure.
- Contract an Engineering, Procurement and Construction Management (EPCM) firm.
- Publish the Business Opportunities document outlining the contracts for work and services required during construction.
- Develop an animation to illustrate the mine plan based on the Feasibility Study.

**Project Information**

**PROJECT TEAM**

- JOHN MCCONNELL, Director, President & CEO
- ANDY KACZMAREK, Chief Operating Officer
- MARK AYRANTO, Vice President, Yukon
- RICH ELIASON, Acting Vice President, Exploration
- KELLY ARYCHUK, Vice President, Mine Support Services
- NEIL BOTTRELL, Manager, Health & Safety
- MIKE PADULA, Project Manager
- MIKE GUNN, Site Manager
- HUGH COYLE, Manager, Permitting – Yukon
- TODD GOODSSELL, Environmental Manager
- STEVE WILBUR, Senior Scientist
- SALLY HOWSON, Community Liaison
- SHELLY MCDONALD, Office Administrator – Whitehorse
- LETHA MACLACHLAN, Advisor

**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: Andy Kaczmarek, Mark Ayranto, Kelly Arychuk, Rich Eliason, Mike Padula, Todd Goodsell, Sally Howson, Neil Bottrell, Mike Gunn & Lenora Hobbs.

We welcome any comments and questions. For more information please contact us at [php@vitgoldcorp.com](mailto:php@vitgoldcorp.com).

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Toll Free: 1 877 682 5122

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**Environmental Update**



The environmental team remains focused on obtaining environmental approvals required for the construction and operation of the Eagle Gold mine. This effort includes:

1. Continued support of the Environmental Assessment of the Eagle Gold mine – Project Proposal currently underway by the Yukon Environmental and Socio-Economic Assessment Board (YESAB).

**Exploration Update**

Exploration drilling at the Eagle Gold Project continues with favorable results. The current program has completed 12,000 meters since starting back in November of 2011. As the assay results are received we load them into the Eagle geology model and update our geological information for use in future mining.

Aurora Geophysical is completing work on Victoria's Aurex Project. This data will be combined with information collected by Coast Mountain Geological Ltd. during the

Victoria Gold will submit a Supplementary Information Report in May that includes additional information regarding optimization of the Project as determined by our recently completed Feasibility Study. Optimization of the Project has resulted in refined engineering design and improved environmental protection. The objective of the report is to support efficient completion of the assessment by YESAB. A positive recommendation from YESAB and the Decision Document from the Yukon Government is required to begin the regulatory process.

2. Preparation of license & permit applications.

Major licenses required for the Project include the Type A Water Use License, Quartz Mining License, Fisheries Act Authorization, and Navigable Waters Protection Act Authorization. Applications are well underway for submission this summer to Territorial and Federal regulators. We are on track to receive all licenses and permits to enable Project construction in 2013/2014.

Additional work planned for summer 2012 includes continued collection of environmental baseline data and test work.

2011 summer season. Drill targets will then be selected for 2012 based on the new and old information.

Plans are underway to begin testing the Category B lands adjacent to the Dublin Gulch claim block. These areas have not been explored for many years and we plan to employ some geological mapping and sampling to discover new ore deposits.

**Victoria Gold Secret Photo Contest**

Do you know where this photo was taken? Send your answer with your full name, mailing address, phone number and email address to us at [php@vitgoldcorp.com](mailto:php@vitgoldcorp.com) or mail it to:

**Victoria Gold Corp. Suite 584 – 1055 Dunsmuir Street, PO Box 49215, Vancouver, BC V7X 1K8**

We will draw the winner's name from all the correct entries.

Congratulations to Silke Wissner who guessed the correct answer to the Secret Photo Contest in the edition #5: The answer: Can't keep that secret place from me – that is a side view of the sign for our school! (J.V.Clark School in Mayo).



Tell us where you think this photo was taken and you could win Victoria Gold branded swag.

Design: RedRocketCreative.com