

POTATO HILLS PRESS



Building on a Rich Mining Heritage.

Edition 5 – Winter 2011

Welcome

As we come to the close of 2011, we are pleased to report that we've come a long way this year in establishing the foundations for the Eagle Gold Mine. And we acknowledge the efforts of the local community in contributing to our progress.

We upgraded the capacity at site with the installation of an all-season 100-man camp and our operations team supported three drill crews throughout the seasons. Our exploration team has doubled the gold resources in two full seasons of drilling. On the engineering side we expect to receive the Feasibility Study by the end of the year. We are well into the Environmental Assessment process, and have signed a Cooperative Comprehensive Benefits Agreement with the First Nation of Nacho Nyak Dun. Further information on these milestones is highlighted in this newsletter.

These milestones were supported by numerous site visits, including a second trip to the Ft. Knox mine in Alaska, community meetings, and complex logistical arrangements meticulously performed by our team of busy and growing staff. Kelly Arychuk joined our executive team in September as the Vice President of Mine Support Services. Kelly is developing the policies and processes to hire the Eagle Gold workforce to take us through the next phases of construction and operations. I invite you to read the new section "Be a Part of Our Future", added to this newsletter, to provide updates on employment practices.

Todd Goodsell, our Environmental Manager, has moved permanently to Whitehorse increasing our presence in the Whitehorse office. Todd and family are feeling the warmth of northern hospitality as they brace for their first winter up north. Tiffany Frasher has replaced Sarah as the office administrator.

This summer, the Victoria Gold Board of Directors conducted the company's Annual General Meeting in Whitehorse. This provided our shareholders located in the north with the opportunity to participate in the AGM without the need to travel south.

Looking forward to 2012, we have the financing in place to take us through to construction and have already started our winter drill program. We are continuing with the work to support the completion of the Feasibility Study and the Environmental Assessment process and are making preparations to begin construction once all the required licenses and permits are in hand.

I am also pleased to continue duties with the Yukon Chamber of Mines and as a new member of the YMAB (Yukon Minerals Advisory Board). As always we welcome your comments so do feel free to contact us at meetings in the communities, via our website or via email. I look forward to 2012 being an exciting and even busier year.

Respectfully,
MARK AYRANTO, Vice President – Yukon

First Nation of Nacho Nyak Dun and Victoria Gold Sign a Cooperative Comprehensive Benefits Agreement (CBA)



Chief Simon Mervyn and Vice President Mark Ayranto exchange gifts at the celebration of the signing of the historic Cooperative Comprehensive Benefits Agreement.

Over 90 NND citizens and residents of Mayo helped celebrate the signing of the Cooperative Comprehensive Benefits Agreement (CBA) on October 17th. To commemorate the occasion the NNDFN presented Victoria Gold with a beautifully carved moose antler by local artist Garry Brown. Victoria Gold presented the NNDFN with a wall clock for the NNDFN council chambers. Following the signing ceremony the attendees enjoyed a fine feast of prime rib, ham, salads and a selection of desserts. Chief Simon Mervyn and Vice President Mark Ayranto

were there to lead the signing of this important and historic agreement. The evening ended with a presentation by Dave Keenan on the opportunities the CBA will provide the NNDFN. The following summarizes key points of the presentation.

The CBA:

- Applies to the proposed Eagle Gold Mine as well as Victoria's exploration properties south of the Wernecke Mountains, not settlement lands;
- Outlines the funding and terms of reference to hire a NND Liaison, NND Environmental Monitor, and a CBA Committee to oversee the implementation of the agreement;
- Establishes a process for ongoing communication between the NNDFN and Victoria Gold;
- Provides for scholarships, training, health and wellness programs for NND employees and opportunities for NND businesses, and
- Provides financial support and profit sharing opportunities that may result from a successful project.

The CBA took a year to negotiate and is a significant milestone in the working relationship between the NNDFN and Victoria Gold.

Community Connections



Representatives from the Yukon Environment Socio-Ec Assessment Board, the Mayo Renewable Resource Council, First Nation of Nacho Nyak Dun, the Village of Mayo and Victoria Gold visit the Ft. Knox Mine in Alaska.

The summer months are always busy with tours and this year was no exception.

On July 21st representatives from regulatory agencies and Victoria Gold visited the Fort Knox Mine near Fairbanks, Alaska. Tour participants included representatives from YESAB, Yukon and Federal governments, the Mayo Renewable Resource Council, NNDFN Council and the Village of Mayo Council. The Fort Knox Mine tour provided an excellent opportunity for people to see all phases of the mining operations, from the open pit, to the processing plant. At the time of the tour a new portion of heap leach pad was being constructed. The tour bus parked right on the heap leach pad which provided the group with a close up view of how the ground was prepared before the liner was laid down, how the liner, ore and drippers were put in place and how the cyanide solution was managed. The Fort Knox staff was very hospitable and informative in responding to everyone's questions. At the end of the tour all participants were given the opportunity to hold a gold bar!

On August 4th eight NNDFN citizens visited the Eagle Gold Site. The visit included lunch at Victoria's new camp facility and a tour of the site to view the proposed locations of the heap leach pad, open pit and other mine facilities.

Site tours provide visitors to get a better perspective of what the proposed mine will look like.

Community Calendar

Victoria Gold Participation:

- June 24:** Attendance at the NNDFN AGM in Mayo
- July 20:** Site Tour of Fort Knox Gold Mine for Government agencies, YESAB, NNDFN and MDRRC
- July 23:** Sponsorship and participation in the the Skookum Charity Golf Tournament, Whitehorse
- July 27:** Attended a donor recognition event at the Mayo Health Centre
- August 4:** NNDFN Eagle Gold Site Tour
- August 24:** YESAB Eagle Gold Site Tour
- August 24:** YESAB Public Meeting for the Eagle Gold Project in Mayo
- August 25:** NNDFN Eagle Gold Site Tour (Lands Manager and Technical Consultants)
- September 11:** MDRRC Eagle Gold Site Tour
- October 17:** Signing of the CBA and presentation hosted by NNDFN
- October 25-27:** Sponsorship and participation at the Opportunities North Conference in Whitehorse

Upcoming Events:

- November 19-23:** Yukon Chamber of Mines Geoscience Forum, Whitehorse
- December:** Victoria Gold Corp Business Development Meeting regarding construction activities for the Eagle Gold Project, Mayo
- December 12:** Construction Phase Business Opportunities Meeting, 6:30 TO 8:30 PM, Curling Rink Lounge, Mayo. This will be the first of 3 sessions to discuss potential business and contract opportunities for the Eagle Gold Project during the construction phase of the project.

Be A Part Of Our Future

As we start to prepare for an operating mine, we have officially brought on a "Mine Support Services" role to assist us. This new role will look after areas such as Human Resources, Training and ensuring our commitments in the Community Benefit Agreement with NND are implemented and working smoothly. Kelly Arychuk, VP Mine Support Services, is heading up this exciting new initiative along with Sally Howson, Community Liaison.

In the proposed plan for the Eagle Project, there will be 300+ roles. These include everything from Equipment Operators, Environmental Monitors, Safety and Health Professionals, and Administrative Support to Journey person's, Supervisors, and

Kitchen and Camp staff. Formalized hiring practices will be developed as well as all the policies and procedures required to support the increased number of employees.

Victoria's vision is to further develop the positive culture that has been established at the mine site by treating everyone respectfully and ensuring that each person understands their role and what they are accountable for....and of course rewarding each for their contributions. We want to continue to be an employer of choice. If you have ideas or suggestions that you think we should be considering please bring them forward to any senior member of the Victoria Gold Team and be part of building our future!!



Safety Tip

Avoiding Fatigue:

Fatigue is the condition of being physically or mentally tired or exhausted. When you are fatigued you will make errors in judgment. Extreme fatigue can lead to uncontrolled and involuntary shutdown of the brain.

To avoid fatigue be sure to:

- Get eight hours of sleep before starting work
- Sleep at the same time each day
- Take all scheduled breaks
- See your doctor about any sleeping disorders
- Eat a well-balanced diet starting each day with high protein foods
- Avoid caffeine, alcohol and cigarettes
- Exercise to give you stamina and to help you to fall asleep later
- Always work carefully following proper procedures

What's Next

- Complete the Feasibility Study, expected in Dec. 2011, followed by the submission of the technical report
- Publish the Business Opportunities document outlining the contracts for work and services required during construction
- Continue the winter drilling program through to Spring 2012
- Complete an Expansion Study, updating the resource
- Continue to work closely with YESAB to successfully complete the Environmental Assessment
- Obtain all licenses and permits to build the Eagle Gold Mine
- Work with the NNDFN to implement the CBA (Cooperative Comprehensive Benefits Agreement).

Project Information

PROJECT TEAM

JOHN McCONNELL, Director, President & CEO
 MARK AYRANTO, Vice President, Yukon
 TED WILTON, Vice President, Exploration
 KELLY ARYCHUK, Vice President, Mine Support Services
 MIKE PADULA, Project Manager
 BILL KEATS, Manager, Exploration, Yukon
 RICH ELIASON, Senior Mine Geologist
 MIKE GUNN, Site Manager
 HUGH COYLE, Manager, Permitting, Yukon
 TODD GOODSSELL, Environmental Manager
 SALLY HOWSON, Community Liaison
 DEBORAH JONES, Camp Coordinator
 TIFFANY FRASHER, Office Administrator, Whitehorse

Environmental Monitoring: Stantec

Engineering: Wardrop, a Tetra Tech Company
 Merit Consultants
 Knight Piesold
 Kappes Cassiday & Assoc.
 BGC Engineering

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, Mike Padula, Bill Keats, Todd Goodsell, Sally Howson, & Lenora Hobbs.

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

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Engineering Update

Victoria Gold and the engineering team are on schedule to complete the Eagle Gold Project Feasibility Study by the end of the year. This Feasibility Study builds upon the earlier Pre-Feasibility Study to provide a more detailed level of engineering plans for the Project. Design work has been done for the three-stage crushing sequence, the gold recovery plant, the heap leach facility, the water treatment facility, and site water management just to name a few areas. The design work allows for estimation of earthworks and construction materials. This information is then used to establish construction costs and scheduling. All of this is then fed into a financial model for the Project.

Drilling and geotechnical investigations were carried out this summer to increase our understanding of the ground conditions to help us determine locations for buildings and equipment and to use the best designs and construction methods for project components such as the heap leach facility and the diversion channel.

This level of detail helps to ensure that we have the best mine plan and operations to optimize profitability and environmental security moving forward. Once the Feasibility Study is complete, the Detailed Design stage will be kicked off. Detailed Design is where final and detailed specifications are determined for construction of the mine and mine facilities. Our plan is to have

sufficient design work completed to allow construction to begin when we receive a positive Environmental Assessment and have all the permits required in hand. Throughout this process we are committed to communicating with the community and stakeholders to make and monitor any modifications to ensure that concerns are considered.



Environment Update



The environmental team's summer and fall activities included field work, site tours, regulatory engagement and support of the YESAA (Yukon Environmental and Socio-Ec Assessment Act) review process. Field work included ground and surface water quality sampling, hydrology surveys, climate

data collection, geotechnical investigations (including permafrost characterization), avian and wildlife surveys and fish habitat surveys to name a few.

We were pleased to host a number of site tours this fall with the NNDFN, the Mayo Renewable Resource Council, the Yukon Water Board and Secretariat, YESAB (Yukon Environmental and Socio-Ec Assessment Board) and numerous technical experts working on the Project.

The review of the Eagle Gold Project Proposal by the YESAB Executive Committee is well underway and we anticipate completion in early 2012. The review of the Project Proposal includes four major stages: Adequacy (complete), Screening (underway), Report, and Decision. Victoria Gold was pleased to have received comments from the NND, multiple government agencies and many other interested stakeholders. These comments are very important to us and will be considered during Project review and design.

A positive recommendation from YESAB and Decision Document from Yukon Government is required to begin the regulatory/licensing process. We are on track to receive all licenses and permits in 2012 to enable the start of Project construction.

Exploration Update

2011 has been a busy year at both our Dublin Gulch and Aurex claim blocks.

At Dublin Gulch, where the Eagle Gold Deposit occurs, we undertook a highly focused helicopter-supported program of geological mapping and sampling that has helped us define our best areas of interest for follow-up work next year. This program was carried out by a team of 12 geologists and geotechnicians. At the same time, we had a consultant group mapping and sampling at our Aurex properties which lie to the south of the Elsa – Keno silver camp.

Our drill rigs worked at Eagle carrying out detailed studies for our future mine site, and along the Potato Hills Mineral Trend where the work was focused more on pure exploration of outlying targets. In all this year, we have completed 61 drill holes for a total of 11,600m.

The winter drilling program is well underway. We have one drill rig working to the west of camp, and are planning more geophysical surveys and drilling before the end of the year.



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 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 the winners of the Secret Photo Contest in the last edition who guessed the correct answer: Just past the Mayo junction heading into town on the right by the old grave site.



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