

# POTATO HILLS PRESS



Building on a Rich Mining Heritage.

Edition 3 – Winter 2011

## Welcome

I'm excited to be actively involved again in the Yukon as Victoria's Vice President, Yukon. You may remember me from StrataGold days when I spent a great deal of time in the Yukon. My mandate is to bring the Eagle Gold Project through permitting, construction and development.

We at Victoria are pleased to announce the recent appointment of John McConnell as the President and CEO. John was previously Victoria's Executive Vice President. Other new senior members are Ted Wilton, Vice President Exploration, and Bill Keats, Manager Yukon Exploration who will direct further exploration of the Dublin Gulch Property. Also, Todd Goodsell has joined Victoria as the Environmental Manager – Todd was formally with Stantec and has worked on the Eagle Gold Project for a number of years.

Since our last newsletter we have reached two significant milestones: One is the submission of the Project Proposal for the Eagle Gold Project. This document kicks off the Project's Environment Assessment process by YESAB. Completion of this report has taken considerable concerted effort by our entire team over the past few years. We acknowledge that this progress has been made possible by the participation of the community. We thank members of the community and stakeholders for their continued interest, attendance and participation in our consultation activities.

The second milestone is initiating a bankable Feasibility Study. Wardrop will complete the Feasibility Study this year which determines and outlines the comprehensive engineering details of the future mine. The Project Proposal along with the Feasibility Study are significant documents as they will provide the basis used by government authorities in their decision to grant the permits required to construct and operate the mine.

In addition to the Eagle Gold Project activities, the company has planned a very aggressive exploration program in 2011. We have installed a 100-person all-season camp at Dublin Gulch to enable Victoria to conduct operations year-round.

We are also pleased to announce that we have established an office in Whitehorse. Our team welcomes Sarah Hannath to the team as the Office Administrator. As neighbours we look forward to participating locally and in meaningful ways to the community.

I look forward to meeting you at our various community events.

Respectfully,  
MARK AYRANTO  
Vice President, Yukon

## Environmental Assessment Process Underway

The Eagle Gold Project team celebrated the close of a successful year with the submission of the Project Proposal report to the Executive Committee of the Yukon Environmental Assessment Board (YESAB) on Dec 20, 2010. The Project Proposal does two things:

- 1 It describes the proposed development of the Eagle Gold Mine at Dublin Gulch.
- 2 It presents proposed mitigation in which to manage the potential environmental effects the development of the Eagle Gold Mine could have on both the physical and socio-economic environments.

This document also contains the various reports of studies that have been carried out over the past several years at the Eagle Gold property.

The Project Proposal is currently under initial review for adequacy – and we expect to hear from the YESAB in March that the report is ready to progress to the next phase of environmental screening. Stay tuned for ongoing developments in the Executive Committee Screening Review of the Eagle Gold Project.

Public participation in the review of the Project Proposal is greatly encouraged. The document will be available online at the YESAB public registry website: [www.yesab.ca](http://www.yesab.ca). Also, a printed copy of the Project Proposal is available at the NDNF Government House.

### Making Your Voice Count

A key part of assessments under YESAA is the guaranteed opportunity for individuals or groups to provide comments on projects being assessed. In order for those comments to be incorporated by assessors, it is very important that the content of the comments be structured in a meaningful and useable way. In order for your comments to be useful to assessors, you will need to outline what you value relative to the environment and the health and well-being of people, and explain how these things may be affected by a proposed development.



YESAB suggests that you frame your comments around the following four questions:

- 1 What do you value in the proposed project area?
- 2 How might those values be affected or impacted by the proposed project, and why?
- 3 Do you have any suggestions for how these effects could be reduced or eliminated?
- 4 Are your concerns based on your own experience, studies you are familiar with or information passed on to you from someone else?

Make your comments count! Visit [www.yesab.ca/registry](http://www.yesab.ca/registry)

## NNDFN Visit Fort Knox Mine in Alaska



The Eagle Gold team and NNDFN visit the Kinross Gold Fort Knox Mine in Fairbanks, Alaska.

The last week of September was a pleasurable week spent in the community and a little further afield. The week started early with a meet and greet presentation about the Eagle Gold Project and supper at the curling rink in Mayo. The next day, Monday, the group of 13 mobilized to the airport and boarded a charter flight to Fairbanks Alaska. It was a beautiful clear and sunny day and Mount Denali (which is Koyukon Athabaskan for 'the High One'), North America's highest mountain at 20,320 feet (or 6,194m) came into view.

The sun continued to shine in Fairbanks as we toured the town. On day two we visited the site of Kinross's Fort Knox gold mine. The full day tour provided ample time to view the Heap Leach facility, the crusher, the open pit and the ore stockpiles. This visit provided the opportunity to see first hand an operating mine with similar processes and infrastructure planned at Eagle Gold with specific attention to the heap leach pad. Our Kinross tour guides from the Environment Department were very informative and helpful in answering all our questions. (Bonus – we each got to handle a solid gold bar worth \$330,000.00!).

Air North delivered the group safely back to Mayo on Wednesday. On Thursday, the group visited the Eagle Gold Project site with a better understanding of how the proposed heap leach gold mine at Eagle Gold will look and operate in the future.

We would like to thank all of the participants again for your great enthusiasm, questions, and especially laughter that made the week so memorable for us.

### In the Community:

- Sept 27 NND Council and Elders visit to the Kinross Ft. Knox Mine in Alaska
  - Sept 29 NND Council and Elders visit to the Eagle Gold Project Site
  - Sept 30, Regulator visit to the Eagle Gold Project Site
- Victoria Gold representatives hosted a day long workshop for industry regulators in Whitehorse to discuss water management. The following day, Oct 1, the group consisting of members from YESAB, Yukon Water Board, Environment Canada, and Yukon Government visited the Eagle Gold Project for a tour of the site and to further discuss water management.

Representatives from Victoria Gold, Stantec and DPRA conducted a number of events in the communities to explain information included in the Project Proposal:

- Nov 3: Closure and Reclamation Workshop in Mayo
- Nov 4: Accidents and Malfunctions Workshop in Mayo
- Nov 29 Project Proposal Submission Open House in Mayo
- Nov 30: Project Proposal Submission Open House in Keno City
- Nov 30: Project Proposal Submission Open House in Pelly Crossing
- Dec 1: Project Proposal Submission Open House in Carmacks
- Dec 2: Project Proposal Submission Open House in Whitehorse
- Dec 20: Submission of Project Proposal to YESAB

### Upcoming Events:

- Yukon Government is planning to host Dr. Dirk Van Zyl for a Heap Leach workshop in Mayo (stay tuned)
- Victoria Gold team will be back to Mayo for an Open House about the YESAB Executive Committee Screening review process and on the 2011 activities at the Eagle Gold Project.

## 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, 680 – 1066 W. Hastings Street, Vancouver, BC V6E 3X2.**

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: Halfway Lakes.**



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

**Safety Tip**

**Winter Driving Tips**

1. Make sure that your vehicle is prepared for winter
2. Drive smoothly and slowly
3. Don't tailgate
4. Brake before making turns
5. Learn how to control skids
6. Lights on
7. No cruise control
8. Don't 'pump' the brakes
9. Pay attention

**What's Next**

It has been a busy winter at the Eagle Gold Project with the installation of an all season camp. We are geared up for an even busier 2011 with the Environmental Assessment process and the Feasibility Study underway.

We look forward to:

- Completing the Feasibility Study Q4, 2011
- Completing the Adequacy Review of the Project Proposal and entering the Screening phase
- Winter Exploration Drilling at Eagle and the Potato Hills Trend commencing in February
- Ongoing consultations with NNDFN on a Cooperation Benefits Agreement
- Drafting applications for the Quartz Mining Licence, Water Licence and associated permits for mining development
- Ongoing community consultations with the NNDFN and Village of Mayo
- Discussions with Yukon Energy Corporation on a power purchase agreement.

**Project Information**

**PROJECT TEAM**

- JOHN McCONNELL,  
Director, President & CEO
- MARK AYRANTO,  
Vice President – Yukon
- TED WILTON,  
Vice President, Exploration
- MIKE PADULA, Project Manager
- BILL KEATS,  
Manager, Exploration – Yukon
- MIKE GUNN, Camp Manager
- ANDY RANDELL, Project Geologist
- ALLAN JACOBS, GIS
- HUGH COYLE,  
Manager, Permitting – Yukon
- TODD GOODSSELL,  
Environmental Manager
- KIM HORROCKS,  
Environmental Consultant
- SARAH HANNATH,  
Office Administrator – Whitehorse

**Environmental Monitoring:**  
Stantec

**Engineering:**  
Wardrop, a Tetra Tech Company  
Kappes Cassidy & Associates  
BGC Engineering Inc.

**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, Mike Padula, Kim Horrocks, Bill Keats, & Lenora Hobbs.

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

**VANCOUVER PROJECT OFFICE:**  
680 – 1066 West Hastings Street  
Vancouver, BC V6E 3X2

**T. 604 682 5122 F. 604 682 5232**  
**Toll Free: 1 877 682 5122**

**WHITEHORSE OFFICE:**  
102 – 4149 4th Avenue  
Whitehorse, YT Y1A 1J1

**T. 867 393 4653 F. 867 393 4654**

**Feasibility Study Underway**



View of the new 100 person camp at Eagle Gold.

Victoria is pleased to announce that Wardrop, a Tetra Tech company is contracted to produce a bankable Feasibility Study for the Eagle Gold Project. Wardrop has solid experience in producing NI43-101 compliant feasibility studies as well as working in the north. Wardrop's most recent Yukon work has been on the detailed designs for Yukon Zinc's Wolverine mine and Alexco's Bellekeno mine. Their team is made up of experienced design engineers and project managers experienced with the delivery of feasibility studies and detailed design work. Victoria looks forward to introducing members of Wardrop's team as design progresses.

A Feasibility Study is a detailed evaluation of a proposed mining project to determine how the mineral resource can be mined economically and is a key document to determine how Victoria should proceed with building the mine. This study determines the cost of developing and operating the mine relative to the revenue it will generate over the life of the mine. We expect that this study will be completed by Q4 2011. The next step will be the Detailed Design stage which prepares the blueprints for constructing the mine.

**Victoria Expands Camp at Eagle**

Victoria is installing a new 100 person camp to replace the long standing 30 person exploration camp. This expanded camp will support the Company's expanded, year round exploration plans on its wholly owned Dublin Gulch property. The Environmental Assessment process and Project Proposal for the camp is underway.

Victoria Gold would like to recognize the following Yukon contractors for their contribution to the success of this project. They played a vital role in the installation of this important piece of infrastructure for the property and their focus and dedication to safety allowed the camp to be installed through the winter with no environmental incidents or injuries.

The camp will have single occupancy rooms, a modern kitchen which can feed up to two hundred plus people, semi-private washrooms, washer and dryer facilities, and an expanded recreation area. Workers will enjoy more comfort as each bedroom has lockable storage, is hooked up for cable vision and wireless internet service, and comes with its own adjustable baseboard heating unit. Water supply will come from a new well and filtration system to produce drinking water. Sewage will be treated on site through a state of the art membrane biological reactor (MBR) system which produces high quality treated water for discharge. Power will be supplied by two brand new Caterpillar, 250 kW diesel generators.

- Arctic Construction
- Cathway
- Ewing Contracting
- High Grade Contracting
- Industrial Electric Services
- K Walters Contracting
- RC Cranes
- Yukon Engineering Services
- ESS Compass Group
- Total North

Installation of the new camp began in October with the preparation of the camp pad area, and since then all the camp module units and service modules have been installed. Final commissioning of the camp is scheduled for late February with occupancy shortly thereafter.

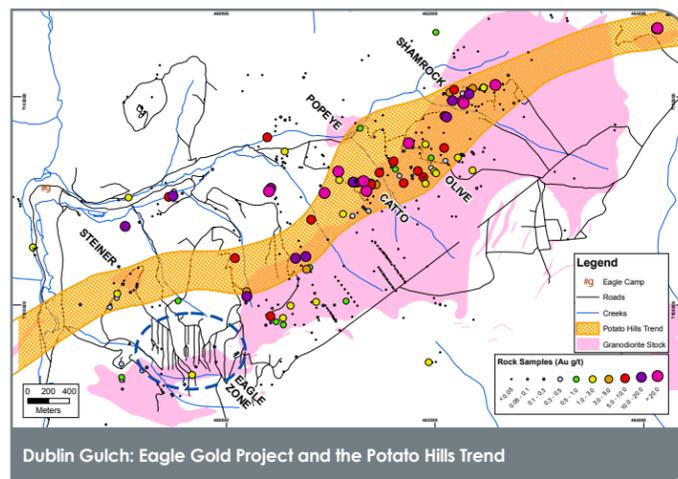


**Expanded Exploration Program in 2011**

We are looking forward to a very busy year ahead in 2011. In addition to supporting the Eagle Gold Project Feasibility Study activities, the exploration team will be casting its net further afield and looking in detail at the whole Dublin Gulch claim block with the aim of developing and discovering new targets. The ultimate goal of our exploration plan is to extend the projected life of mining beyond the present 8 and a half years. We hope to be your best neighbours for many years to come.

camp at Elsa and Keno, and which contains some exciting geology and mineral potential.

Last year, we focused much of our work on an east-west belt of rocks we call the Potato Hills Trend, and discovered excellent indicators of mineralization for more than 7 km along this belt. The geology and minerals are slightly different from our Eagle deposit, in particular we found much more silver as well as gold. This year, we will be looking to both east and west along the belt which we believe to extend for at least 14 km.



Dublin Gulch: Eagle Gold Project and the Potato Hills Trend

**Staff Profile: Rosemary Peters**



Rosemary is one of the dedicated staff members that has helped keep Victoria Gold's Eagle Project exploration camp running smoothly and efficiently.

Rosemary lives in Mayo and commutes to the camp on a rotation basis. After a brief break for Christmas holidays, Rosemary is back out at camp to help get the winter exploration projects underway.

Thanks for all your hard work this past year, Rosemary! And here's to a successful 2011.