

# POTATO HILLS PRESS

## Welcome

Hello and welcome to the first edition of the Potato Hills Press! I'm Chad Williams, President and CEO of Victoria Gold. This newsletter will help to keep you informed on the progress we're making on Eagle Gold and our other projects in the Yukon.

I know I speak for all of us when I say we are looking forward to working with the people of Mayo, the First Nation of Na-Cho Nyak Dun, and others from the region who will be involved with us as our projects move forward. I have enjoyed my visits to the Yukon, Mayo and our Eagle Gold Project site, Whitehorse and other communities. I am very impressed with the land and the hospitality of the people.

I'd like to introduce you to Victoria Gold. We are a rapidly-growing gold company with several exploration projects as well two core properties, the Cove Project in Nevada, and the Eagle Gold Project here in the Yukon. We've made significant progress over the past year, and we now have a mineral inventory of 6 million ounces of gold. And expansion will continue, as our operations move into active production.

We look forward to developing the Eagle Gold Project, and we understand how important it is that we proceed in a responsible and sustainable manner, and the team and I look forward to an open, honest and supportive working relationship with our local communities.

Respectfully,

Chad Williams  
P.Eng., President & CEO, Director

## Employment Opportunities

Check available job postings on our website at [www.VITGoldCorp.com](http://www.VITGoldCorp.com), or in the local Whitehorse newspapers. NND citizens can also check with Teresa Samson.

## Safety Tip

Ice can help you heal: when you need to remove a sliver, remember that applying ice can help kill the pain—and it costs virtually nothing! It helps to prevent infection and it constricts blood vessels which reduces bleeding, bruising, swelling, pain and damage to surrounding tissues. However, do not add salt to the ice, as this can cause frostbite. A regular ice cube will do the job safely.

## More Gold at Eagle Gold

### The Technical Report

Before a mine can open, a number of studies must be made for the assurance of investors and authorities. The latest of these documents, a Pre-Feasibility Study, was recently completed by a respected team of engineers: Scott Wilson Roscoe Postle Associates Inc. in association with Kappes, Cassiday & Associates and BGC Engineering Inc.

The major finding was the upgrading of the gold resource from "indicated" status to "probable" reserves of over 1,750,000 oz of gold. John McConnell, Victoria Gold's Executive Vice President, said "Upgrading from an indicated resource to a probable reserve is a huge step in the project's development and shows the quality of the Eagle asset."

With those encouraging results, the company will move forward on the proposals, studies and exploration work that will bring the mine to a reality as quickly as possible. Complete details can be found on the Victoria Gold website.



Core drilling commences at Eagle marking the start of the 2010 Season.



Geologists getting bearings on the Eagle Gold Project shown in the distance.

## Eagle Gold at a Glance

The Eagle Gold Project is located in the Mayo Mining District of Central Yukon Territory, 495 km north of Whitehorse.

- NI 43-101 Technical Report: completed April, 2010
- Mineral reserves: 66 million tonnes, at a grade of 0.82 grams of gold per tonne, containing 1.8 million ounces of gold
- Open pit gold mine
- In-valley leach
- 9.1 million tonnes per annum mining rate
- 26,000 tonne/day ore mining
- Year round mining operation
- Total estimated gold production: 1,254,000 ounces
- Powerline connection to the Yukon Energy Corp grid
- 26 km single lane, radio controlled access road
- Construction: 2012
- Begin open pit mining: 2013
- Full operation: 2014
- Project Capital Cost: \$281 million

### Jobs

- Estimated 400 jobs during construction
- Estimated 400 jobs during operation

## Victoria Holds Open House

On May 3rd, we visited Mayo to update the local community on the Eagle Gold Project. The receptive gathering took the opportunity to learn from company representatives about the mine's progress and to gain a better understanding of what is being proposed.

### Upcoming Presentations Include:

**June 9th** Community Workshop on Gold Mining sponsored by the Yukon Government. Location to be determined.

### Recent Events:

**May 19-20th** Mike Padula presented at the Northern Partnerships Summit in Dawson City.

**March 23-25th** Company representatives attended the Yukon First Nations Resource Opportunities Conference in Whitehorse. The conference provided valuable and current information from positive examples of responsible resource extraction. It was also an opportunity to meet with people interested in pursuing sound relationships that benefit both Victoria Gold and local communities.

**February** Our Heritage and Traditional Knowledge research team visited Mayo to verify that the comments and information received during our November 2009 visit were accurate and had been interpreted correctly by the researchers. This type of information, like berry patches and fishing holes, help us to better understand the landscape and to plan for a better project.



**What's Next**

The Eagle Gold camp is where the action is centered and most visible, but there are many "behind the scenes" activities going on at the same time.

Here are a few of the tasks that will be accomplished over the next few months.

- Exploration teams will be seeking more detail on various ore deposits. They'll be drilling in and around the Eagle area and the Shamrock and Olive zones, and doing grassroots exploration throughout the region.
- Engineering work will continue toward the Feasibility Study.
- Environmental work will progress, with hydrogeology studies and baseline information gathering.
- Project Proposal preparation: our consultants are working on effects assessments for a Project Proposal that will be submitted in the fall of this year.
- Community consultations will continue as we strive to understand the questions and concerns of the local communities. We will continue to provide project updates on a regular basis, and keep the communities informed on job and business opportunities that arise.
- Government consultations will continue, as we work with the community on the many issues related to the project's impacts, and ensure that our work is beneficial to the community and region.

## Environmental Monitoring Continues at Eagle

In early April, winter snow surveys were carried out for the second year running to help define the particular snowpack of the Eagle Gold Project area. In addition, there are two weather stations that are running continuously and transmit the weather details over the internet.

The summer season in the field has begun and we are finalizing the information collected during last year to compile the reports required by various levels of government. These include the NNDNFN, several departments in the Yukon Government and the Yukon Environmental and Socio Economic Assessment Board (YESAB). We continue to meet with all stakeholders to hear concerns and key issues to identify how we can improve the project planning process.

Our primary focus is to prepare the Project Proposal for the Eagle Gold Project for submission to YESAB in the fall of this year. This report combines the information from the Pre-Feasibility Study with the completed environmental studies into a detailed project outline for environmental assessment and regulatory review. Once submitted, the Project Proposal will guide the process towards receiving the required licenses to construct and operate the mine.



Snowpack survey work in April 2010

## 2010 Exploration Program Ahead of Schedule



Thanks to a milder-than-usual winter, roads have re-opened a month ahead of schedule, and our Dublin Gulch exploration plans are moving ahead. Drilling began in mid May. This year's program is budgeted at \$5 million, and we believe it's the largest exploration season that Dublin Gulch has ever seen. According to Chad Williams, our President, CEO and Director, "This promises to be a very exciting summer of exploration at Dublin Gulch. We are optimistic that we will be able to add ounces at Eagle and are eager to follow-up on the promising 2009 trenching results at Olive and Shamrock."



The exploration program has three objectives. First, we want to find more ounces of gold reserves. To this end, we will be drilling 2,100 meters just west of the existing reserves. If we are successful, we may relocate the western edge of our open-pit design, which would improve the economics of the operation and extend the life of the mine.

Second, we hope to define new gold resources elsewhere on the Dublin Gulch property. Our targets are the Shamrock and Olive zones, which are within 2 km northeast of the Eagle zone. We will be drilling 4,700 meters in those zones.

The third objective is to generate new targets for drilling. During this campaign, our teams will conduct reconnaissance exploration between Eagle and Olive and to the west of Haggart Creek.

### Project Information

**PROJECT TEAM**

- JOHN McCONNELL, Executive Vice President
- MIKE PADULA, Project Manager
- KIM HORROCKS, Environmental Manager
- LENORA HOBBS, Project Control/Administrator
- BILL KEATS, Senior Geologist
- ANDY RANDELL, Project Geologist
- MIKE GUNN, Camp Manager
- ALLAN JACOBS, GIS
- TODD GOODSSELL, Stantec, Project Manager

**Environmental Monitoring:** Stantec

**Engineering:**

Scott Wilson Roscoe Postle Assoc. Kappes Cassiday & 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: Mike Padula, Kim Horrocks, Todd Goodsell, & 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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## Project Time Line

