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## **Victoria Gold and StrataGold propose merger**

Nevada-focused **Victoria Gold** (VIT-V) has made a friendly offer for **StrataGold** (SGV-V), which has an advanced gold project in the Yukon, to increase its gold assets per share.

Victoria is offering 0.1249 of a Victoria share for each StrataGold share, which works out to be an 18.7% premium to StrataGold's closing share price on Feb. 10. Warrants and options will be exchanged on similar terms.

Victoria shares were trading at 38¢ apiece on Feb. 10 while StrataGold shares were at 4¢.

If the deal goes through, Victoria will have 157.2 million shares of which Victoria shareholders will own 85.4% and former StrataGold shareholders, the remainder.

Victoria president and CEO, Chad Williams, says the acquisition will raise the company's gold resource substantially.

"This transaction increases Victoria's total National Instrument 43-101 compliant gold resources from 1.2 million oz. to approximately 4.3 million oz. with just 17% equity dilution," Williams said in a statement.

A 2009 resource estimate for Eagle zone at Dublin Gulch put indicated resources at 98.6 million tonnes grading 0.85 gram gold per tonne for 2.7 million oz. gold. Inferred resources are 2 million tonnes grading 0.67 gram gold per tonne for nearly 44,000 oz. gold. A cut-off grade of 0.5 gram gold per tonne was used.

Dublin Gulch is located in the Mayo mining district in the central part of the Yukon, 700 km north of Whitehorse and 48km northeast of the village of Mayo.

StrataGold's executive chairman, Roman Friedrich says the transaction will also benefit StrataGold shareholders. "This proposed transaction ...brings to StrataGold Victoria's northern project development expertise to advance our Dublin Gulch project," he said in a statement.

StrataGold also has less developed gold projects in Guyana as well as a tungsten project in the Yukon that Victoria hasn't yet evaluated.

"We have yet to assess the full development potential of their assets in Guyana and there has been significant interest in the Mar-Tungsten deposit by Chinese

interests," Williams said.

Victoria shares hovered around the same price between Feb. 11 when the deal was announced, and today when the shares shot up 6.5¢ to 45¢ on a trading volume of 4.8 million shares. StrataGold shares rose 1.5¢ today to close at 5.5¢ apiece.

Victoria is focusing on five key projects in Nevada this year, spending about \$2.5 million on exploration.

The company says it wants to contain costs as much as possible over 2009 and with its current budget, it won't be left with zero at the end of the year.

Victoria completed a \$4 million financing in December, adding to the \$3.9 million it had as of Nov. 30.

At the end of January, the company said that a drill was ready to go at the Cove gold project, about 50 km south of Battle Mountain, where the company discovered the Helen zone in 2008.

The Helen zone is about 600 metres northwest of the Cove open pit which produced 2.3 million oz. of gold and 100 million oz. of silver when it was in production between 1987 and 2001.

Victoria plans to drill two holes at the Helen zone - NW-14 and 15, which will test the depth extension, and possibly a few other exploration holes on the property.