



(an exploration and development stage company)
(formerly Victoria Resource Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the year ended February 28, 2010

DATED: June 23, 2010

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VICTORIA GOLD CORP.

(an exploration and development stage company)

Management's Discussion and Analysis

This Management's Discussion and Analysis has been prepared as at June 23, 2010, and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Victoria Gold Corp. ("the Company" or "Victoria") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following management's discussion and analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto of the Company for the years ended February 28, 2010 and February 28, 2009. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and all amounts are expressed in Canadian dollars, unless otherwise stated.

PRESIDENT'S MESSAGE

The 2010 fiscal year marked another constructive period for Victoria whereby the Company grew steadily through exploration, acquisition, and project development. The highlights of the past year are as follows:

StrataGold Acquisition

The Company closed the StrataGold corporate transaction in June 2009 which brought the large Eagle Gold project in the Yukon, amongst other assets, into the Company's asset portfolio. This acquisition was a company-changing event whereby 3.2 million ounces of gold were added to Victoria's aggregate in-situ gold inventory.

Santa Fe Exploration

In the fall of 2009, Victoria reported very promising exploration results from the Santa Fe gold project in Nevada. These results were from the Company's initial drill program on the property. Santa Fe has the potential to return further positive exploration news as drilling progresses.

Cove Preliminary Assessment ("PA")

The Company received the results of a positive PA from an independent consultant early in 2010. The PA revealed that the Cove project has robust economics at a gold price of US\$900 per ounce yielding average annual production of approximately 85,000 ounces of gold. The PA was an important benchmark for the project since it demonstrated that Victoria is justified in developing a mine at Cove even based on the very limited amount of drilling completed to date on the project.

Eagle Pre-Feasibility Study ("PFS")

The Company announced the results of a positive PFS on the Eagle Gold Project in March 2010 demonstrating that the Eagle Gold Project is economic at a price of gold of US\$900 per ounce yielding average annual production of about 170,000 ounces. Exploration drilling is currently in full operation at Eagle and the Company remains optimistic that the size of the deposit will grow significantly. Eagle promises to be a very exciting project for Victoria for many years to come.

Other Corporate Activities

Victoria was successful in raising over \$30 million through equity issues in fiscal 2009 in a market that remained very risk-averse due to ongoing global financial uncertainty. In addition, the Company's average daily share liquidity grew almost ten-fold relative to the previous fiscal year on the back of the numerous positive developments at the Company combined with consistent marketing efforts by management.

Victoria is in its best condition ever: the Company is well-financed, has numerous attractive gold projects, and is staffed with quality individuals in all positions. The future is bright indeed!

Chad Williams, Director, President and CEO

FORWARD LOOKING STATEMENTS

These consolidated financial statements and MD&A contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate," "believe," "expect," "goal," "plan," "intend," "estimate," "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production and the timing thereof and costs and timing of drilling campaigns, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, exploration and drilling success or failure, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

OVERVIEW

Victoria is an exploration and development stage company with interests in gold projects located in Nevada, USA and Yukon Territory, Canada. The Company's strategy is to add value per share through efficient exploration, project development and accretive acquisitions. Victoria's management team endeavours to mitigate risk through project diversification, sound financial management and operating in relatively secure jurisdictions.

On February 11, 2009 the Company announced that it had signed a letter of agreement to acquire all of the outstanding common shares of StrataGold Corporation ("StrataGold"). Further to the letter of agreement, the Company announced, on March 30, 2009 that it had entered into an arrangement agreement to complete this friendly transaction. The Supreme Court of British Columbia approved the transaction on May 29, 2009 and StrataGold shareholders approved the transaction on May 26, 2009. The effective date of closing was June 4, 2009.

On August 19, 2008 the Company announced that it had signed a letter of agreement to acquire all of the outstanding common shares of Gateway Gold Corp. ("Gateway"). Further to the letter of agreement, the Company announced, on September 23, 2008 that it had entered into an arrangement agreement to complete this friendly transaction. The Supreme Court of British Columbia approved the transaction on December 4, 2008 and Gateway shareholders approved the transaction on November 28, 2008. The effective date of closing was December 18, 2008.

In January 2009, the Company announced the appointment of John McConnell as Executive Vice President. Mr. McConnell is a mining engineer with 35 years experience in all aspects of mine exploration, development and operations. At Victoria, his primary focus is to advance the Company's existing projects towards production. Mr. McConnell has been on the Board of Directors of Victoria since August 2007 and continues to serve on the Board. In September 2009, the Company announced the appointment of John Goyman as Vice President of Nevada Projects and Mark Ayranto as Vice President of Corporate Development. Mr. Goyman has extensive permitting and project development expertise including former postings as Regional Director of the British Columbia Ministry of Mines, Owner's Construction Manager for Newmont Mining Corporation's Hope Bay Project, and Vice President Construction and Operations of Western Keltic Mines Inc. Mr. Ayranto came to Victoria from StrataGold where held the position Vice President of Corporate Development. Mr. Ayranto brings over 10 years experience in project

and corporate development and is focused on the Company's internal and external growth and asset optimization initiatives. In June 2010, the Company announced the departure of Raul Madrid, Vice President of Exploration.

EXPLORATION ACTIVITIES

The Company has incurred resource property expenditures since inception, net of property impairments, totalling \$53.2 million including the acquisition of StrataGold (\$11.4 million) and Gateway (\$5.2 million). During the year ended February 28, 2010, the Company incurred resource property expenditures totalling \$10.9 million, which is net of property impairments of \$2.1 million.

Comparatively, the Company had incurred resource property expenditures since inception, net of property impairments, totalling \$31.0 million as at February 28, 2009. During the year ended February 28, 2009, the Company incurred resource property expenditures totalling \$(0.8) million, which is net of property impairments of \$7.9 million.

PROPERTY SUMMARIES

PROPERTY	COMPLETED ACTIVITIES (March 1, 2009 – June 22, 2010)	OUTLOOK (three to six months forward)
Dublin Gulch (with a primary focus on the Eagle Gold Project)	The 2009 summer site program included exploration drilling, environmental work including baseline studies and engineering work to support a 43-101 Technical Report and Pre-feasibility Study (“PFS”). The 43-101 Technical Report was filed on Sedar in April 2010.	Engineering, permitting, and environmental work will continue. A Project Proposal will be completed and submitted for review. The 2010 summer site program is underway and includes exploration drilling on the Eagle, Olive and Shamrock zones.
Cove McCoy	Completed drilling holes NW-14 and NW-15 on the Helen Zone. A 43- 101 Technical Report and Preliminary Assessment on the Helen Zone was completed in early 2010 and was filed on Sedar in March 2010.	Permitting and design of an underground exploration and bulk sampling program will be ongoing.
Santa Fe	Completed Phase 1, six hole drill program. Developed and commenced Phase 2 drilling program.	Complete Phase 2 drilling program.
Mill Canyon	Mapping, targeting and surveying in anticipation of drilling.	Target prioritization and possible drilling; the timing of which is dependent upon results at other properties and availability of resources.
Relief Canyon	Minimal exploration work.	Structural mapping and possible drilling; the timing of which is dependent upon results at other properties and availability of resources.
Big Springs	Permitting and environmental monitoring.	Structural mapping, permitting and environmental monitoring.
Golden Dome, Mac Ridge, Dorsey Creek	Limited exploration work.	Structural mapping and targeting.
Island Mountain	Property has been optioned to joint venture partner. Minimal work completed.	Monitor work programs with joint venture partner.
Jack Creek	Property was optioned to a joint venture partner who terminated the joint venture agreement on May 31, 2010.	Structural mapping and targeting.
Tassawini	The Company completed the sale of its’ interest in the property to Takara Resources Inc (“Takara”) in April 2010.	NIL

PROPERTY	COMPLETED ACTIVITIES (March 1, 2009 – June 22, 2010)	OUTLOOK (three to six months forward)
BRL Venture	The Company completed the sale of its' interest in the property to Takara Resources Inc ("Takara") in April 2010.	NIL
Clear Creek	Property has been optioned to Golden Predator.	NIL
Hyland	Property has been optioned to Argus.	NIL
Kaituma	The Company completed the sale of its' interest in the property to Argus Metals Corp. ("Argus") in January 2010.	NIL

PROPERTY INFORMATION

Dublin Gulch, including Eagle Gold Project, Yukon Territory

The Dublin Gulch property includes the Eagle Gold Project and the Wolf Tungsten Deposit (previously referred to as the Mar-Tungsten Deposit). The property is located 85 km north of the village of Mayo in the Yukon, Canada. The property is centered on the confluence of the Haggart Creek and Dublin Gulch, at approximately 64°02' N and 135°50' W. The property consists of 1,912 quartz claims, 10 quartz leases, and one federal crown grant, comprising an aggregate area of 34,576 hectares.

A NI 43-101 Technical Report summarizing the PFS led by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson") on the Eagle Gold Project was filed on www.sedar.com on April 23, 2010.

On December 1, 2008 a NI 43-101 Preliminary Assessment for the Wolf Tungsten Deposit was filed on www.sedar.com.

The property is subject to the following three royalties, which arise from underlying agreements:

1. with respect to a portion of the property, historically known as the Mar Gold Zone, an annually royalty payment of \$20,000 or payment of 2% of gross returns received from the sale of all metals produced from the claims, whichever is greater, to a maximum of \$1,000,000, after which the royalty reverts to 1% of the said gross returns,
2. with respect to the 36 claims on the Lynx Zone, a 1½% NSR royalty with annual advance royalty payments of \$15,000; and
3. with respect to the 63 claims and leases historically known as the Mar Tungsten Property and Mar Tungsten Leases, a 1% NSR royalty.

Eagle Gold Project, Yukon Territory

During the year ended February 28, 2010, and through the date of this report, the Company completed its' 2009 summer site program included exploration drilling, environmental and permitting activities and engineering work to support the PFS. Work on environmental baseline studies to support a comprehensive Project Proposal that satisfies the requirements of the Yukon Environmental and Socio-Economic Assessment Act, and all associated permits necessary for the development of the Eagle Gold Project continued.

The PFS identified an NI 43-101 Mineral Reserve (1) and project economics as outlined below:

Reserve Category	Tonnes	Grade (g/t Au)	Gold Ounces
Probable	66,141,000	0.823	1,751,000

(1) CIM definitions were followed for estimation of Mineral Resources and Mineral Reserves. They are based on a resource block model; with grade interpolation conducted using Ordinary Kriging. Unlike previous resource estimates on the Eagle Zone, current Mineral Resources were constrained within an economic open pit shell, generated using a gold price of US\$1050 per ounce gold. At a cut-off grade of 0.20 g/t Au, Mineral Resources total 154,294,000 tonnes, at a grade of 0.65 g/t Au, totaling 3.2 million ounces. Mineral Resources are inclusive of Mineral Reserves. The Mineral Resource was estimated in January 2010.

Mineral Reserves as noted above are estimated using an average cut-off grade of 0.35 g/t Au, based on US\$900/oz gold price, C\$1.00 = US\$0.90 exchange rate, average metallurgical recovery of 72%, and operating costs averaging C\$10.38 per tonne ore.

The project economics on a pre-tax basis are summarized below:

Gold Price (US\$/oz)	900	1,100
IRR (%)	15.0	29.9
NPV @ 5% discount rate (million)	115	325
NPV @ 10% discount rate (million)	47	210
Capital Payback (years)	3.4	2.1

The initial years of production are summarized below:

Units		2012	2013 (1)	2014	2015	2016	2017
Ore Tonnage	000	—	2,000	9,100	9,100	9,100	9,100
Grade	g/t Au	—	1.019	0.863	0.983	0.855	0.861
Recovery	%	—	74	72	73	71	72
Gold Production	Ounces	—	39,714	178,868	209,262	179,329	180,206
Capital Cost	C\$'000	175,139 (2)	106,347 (3)	6,105	17,325	2,774	12,464
Operating Cost	C\$/t	—	20.66	9.91	10.65	10.31	10.54
Total Cash Cost	US\$/oz	—	947	464	427	481	489

(1) Partial year of production, including ramp-up.

(2) Includes contingency of \$26 million.

(3) Includes contingency of \$12 million.

During the remainder of calendar 2010, the Company plans to:

- (a) submit a Project Proposal to the Yukon Environmental and Socio-economic Assessment Board initiating the formal process;
- (b) initiate a feasibility study;
- (c) complete the 2010 summer exploration program to assess the gold potential of areas within trucking distance of Eagle on the large Dublin Gulch property including the Shamrock, Olive, and Steiner Zones;
- (d) undertake condemnation drilling of the proposed waste rock and heap process sites; and
- (e) advance discussions with the Na-Cho Nyak Dun First Nation on a benefits agreement.

Cove Gold Project, Nevada

On June 15, 2006, the Company entered into a “Minerals Lease and Agreement” to lease a portion of the Cove-McCoy Mine project, located in north-central Nevada, from Newmont Mining Corporation (“Newmont”). Under the terms of the agreement, the Company is subject to yearly work commitments in the cumulative, aggregate amount of US\$8.5 million. The Company has completed the entire US\$8.5 million work commitment. Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study as defined in the agreement for a minimum of 500,000 ounces of gold resources. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. In order to acquire a 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Cove property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, Victoria will pay a US\$1.5 million cash payment to acquire Newmont’s remaining rights to the project and will grant Newmont a sliding scale net smelter return royalty (“NSR”) which will be a maximum of 5%, inclusive of any other royalties that apply to the property or portions of the property, for a gold price over US\$500 per ounce.

During the year-ended February 28, 2010, the Company released assays from holes NW-14 and NW-15.

The table below outlines the results of drilling the Helen Zone:

SUMMARY OF SELECTED RESULTS FROM HELEN ZONE DRILLING		
DRILL HOLE	INTERVAL (m)	GOLD GRADE (g/t)
NW-1	38.4	10.95
Includes	10.4	21.98
And	20.7	9.15
NW-2	Outside the Helen Zone	
NW-3	12.2	4.96
Includes	3.0	8.98
NW-4	20.5	6.16
Includes	14.0	8.16
NW-5	61.9	12.57
Includes	13.9	37.21
NW-6a	39.6	11.8
Includes	4.6	24.1
And	19.8	15.7
NW-7	31.1	8.46
Includes	15.2	16.28
NW-8	53.3	3.84
Includes	9.1	13.89
NW-9	79.2	5.51
Includes	54.8	7.67
And	33.5	11.48
NW-10	6.1	6.33
NW-11	74.4	1.87
Includes	17.4	5.55
And	6.7	11.82
NW-12	Drill hole lost	
NW-13a	29.6	16.75
And	35.6	11.85

SUMMARY OF SELECTED RESULTS FROM HELEN ZONE DRILLING		
DRILL HOLE	INTERVAL (m)	GOLD GRADE (g/t)
NW-14	3.1	14.06
And	10.4	13.74
NW-15	274.3	2.50
Includes	12.7	9.18

A National Instrument 43-101 (“NI 43-101”) Technical Report and Preliminary Assessment (the “Cove Report”) by Scott Wilson on the Helen Zone of the Cove Gold Project was filed on www.sedar.com on March 22, 2010.

The Cove Report identified an initial NI 43-101 gold resource and economics as outlined below:

Initial Helen Zone Inferred Resource

	Tonnes	Gold Grade (g/t)	Gold Ounces
Helen Zone -- Upper	315,200	32.9	333,100
Helen Zone -- Lower	306,100	19.8	194,600
Helen Zone -- Total	621,300	26.4	527,700

Resource parameters

- the mineral resource estimate follows CIM Definitions and conforms to NI 43-101 as an inferred resource
- a minimum mining width of 2.4 m and a minimum grade of approximately 8.6 g/tonne gold were used to build mineralization wireframes
- high gold assays were capped at 171.4 g/t gold. Assays were capped prior to compositing
- mineral Resources are estimated using a gold price of US\$950/oz
- block sizes are 3 m X 3 m X 3 m; inverse distance squared was used to interpolate block grades
- the resources were reported at a block grade cut-off of 10.3 g/t gold
- bulk density factor of 2.15

Helen Zone Economics:

Throughput:	360 t/day
Diluted gold head grade:	21.9 g/t (life-of-mine (“LOM”) average)
Gold recovery:	90%
Total operating cost per tonne:	US\$271/t
Total operating cost per ounce:	US\$427/oz (LOM average)
Annual gold production:	84,100 ozs (LOM average)
Stage 1 capital cost (Helen Zone Upper):	US\$ 16.2 million
Stage 2 capital cost (Helen Zone Lower):	US\$ 7.9 million
Total LOM capital cost:	US\$ 63.2 million
Capital cost contingency:	25% included above

Internal Rate of Return (“IRR”; pre-tax):

\$900/oz flat gold price	48%
\$1100/oz flat gold price	75%

Net Present Value (pre-tax):

5% discount rate, \$900/oz flat gold price:	US\$ 84 million
10% discount rate, \$900/oz flat gold price:	US\$ 62 million
5% discount rate, \$1100/oz flat gold price:	US\$ 146 million
10% discount rate, \$1100/oz flat gold price:	US\$ 113 million

Economic parameters

- cut and fill mining at 360 tonnes per day
- custom milling of ore
- total 5% NSR royalty on the project
- 20% dilution at zero grade and 90% extraction of diluted resources

Next steps at the Cove Gold Project include initiating Phase 2 drilling of the Helen Zone from surface and continuing the environmental permitting process in order to build a ramp from the side of the existing open pit to access the underground Helen Zone. This will be followed by underground in-fill drilling and bulk sampling.

The Helen Zone is one of eight postulated structural intersection zones located within the "NW-Cove" target. In turn, the NW-Cove target is the first of fourteen target areas on the Cove-McCoy property that may be drilled by the Company.

Santa Fe, Nevada

Victoria has the right to earn up to a 70% interest in the Santa Fe property, located in Mineral County, in southwest Nevada, USA, in accordance with the terms of an agreement dated May 21, 2008 with Homestake Mining Company of California ("Homestake"), a subsidiary of Barrick Gold of North America, by spending US\$5,000,000 over five years to earn 60% (US\$950,000 of which must be incurred by 31 December 2009 and has been expended) and an additional US\$1,500,000 in the sixth year of the agreement to increase its interest to 70%. No cash payments are required under the terms of the option agreement. After Victoria has earned its interest, Homestake has the right to participate in a pro rata joint venture or to receive a 3% net smelter royalty production interest. Including 42 patented claims staked on behalf of Victoria in March 2009, the Santa Fe property consists of 268 claims, including 24 patented claims.

During the year ended February 28, 2010, and through the date of this report, the Company undertook a Phase 1, six hole drill program on the property. Drilling took place from September 2009 through March 2010.

The table below outlines the results of Victoria drilling at Santa Fe:

SUMMARY OF SELECTED RESULTS FROM SANTA FE PHASE 1 DRILLING		
DRILL HOLE	INTERVAL (m)	GOLD GRADE (g/t)
BH-1	47.6	1.34
Includes	20.0	2.24
BH-2	309.0	2.25
Includes	49.0	3.93
BH-3	283.9	2.50
Includes	11.3	11.46
BH-4	43.6	3.02
Includes	17.7	4.11
And	25.8	1.31
And	41.8	2.31
BH-6	157.0	3.94
Includes	30.6	6.67

Phase 1 drilling was designed expand the extent of known gold mineralization both laterally and to depth, to determine the controls on higher gold grades, and to gather data for structural analysis. As the program evolved, another major goal was to determine the magnitude and effects of post-mineral faulting, which was mapped in and around the Santa Fe open pit and in the Phase 1 drill holes. The data from core mapping clearly a dynamic system of iterative cycles of alteration, mineralization, and brecciation.

The drilling to date indicates a large, strong hydrothermal system capable of hosting economically viable grade and tonnage. Grades from previous drilling were confirmed and a strong understanding of the relationships between gold content and the various types of alteration and mineralization as shown in drill hole mapping was developed. One of the more important observations is that the silica-sulfide breccias that typically range from 1 to 3 grams/tonne gold are overprinted by a number of fracture sets consisting of gray, sulfide-rich clay that carry up to 35 grams/tonne gold in recent grab samples.

A second phase of drilling has been approved and comprises 10 holes totaling 5,000 meters. Phase 2 drilling commenced on May 24th and is expected to continue for approximately 6 months. The targets will focus on identifying feeders for the higher grade sulfide/illite-filled fractures that cut the earlier silica-sulfide breccias, while also continuing to expand and define the large, lower grade silica-sulfide breccia zones. We also anticipate drilling on targets farther outboard from the Santa Fe open pit, pending the results of ongoing mapping and sampling efforts.

Mill Canyon, Nevada

On May 13, 2003, the Company entered into a Purchase Agreement (amended on May 14, 2003 and on June 14, 2004) with Newmont, to acquire a 100% interest in the Mill Canyon property. In 2005, the Company earned its 100% interest by completing all of the required payments and exploration expenditures as per the amended Purchase Agreement (which consisted of paying US\$300,000 in cash, issuing 500,000 common shares to Newmont and incurring US\$5 million of qualified exploration expenditures). Newmont retains a 3.5% net smelter return royalty (“NSR”) and has a back-in right to earn a 50% interest in the property. On February 14, 2005, the Company delivered an Option Notice to Newmont. As a result, Newmont has an option (“Joint Venture Option”) to enter into a joint venture with respect to the Mill Canyon property. In the event that Newmont elects to exercise the Joint Venture Option, this election is to occur no later than 60 days after the delivery of a positive feasibility study as defined in the agreement. At that time each party would be subject to normal joint venture dilution provisions and the NSR would be eliminated. In order to acquire a 50% interest, Newmont is required to solely fund all joint venture expenditures up to an amount equal to 250% of the expenditures incurred on the Mill Canyon property from June 15, 2003 to the effective date of the joint venture agreement. Upon completion of such earn-in by Newmont, both the Company and Newmont shall be required to fund all future joint venture expenditures in proportion to their participating interest, with Newmont being the operator.

During the year ended February 28, 2010, and through the date of this report, the Company continued mapping and targeting activities at the Mill Canyon property in anticipation of exploration drilling.

Additional intersection zones around and within the Higher Open Cut (“HOC”) target area have been assessed and number more than 11 within the area.

The Range Front Skarn (“RFS”) target at Mill Canyon has been evaluated. Several properly positioned angle core holes must be drilled so that the geometry of this high-grade gold-copper bismuth system is properly defined. The top of the RFS system is approximately 135 m below the surface. The historic gold grades appear high enough to justify a more comprehensive exploration effort.

Mapping on the Ralph J. Roberts (“RJR”) gold system to date indicates that several post-mineral fault zones have offset this large gold system approximately 200 m to 350 m to the east. Mapping has been undertaken to establish the best location for further exploratory drilling.

Victoria plans to prioritize drilling targets on the HOC, RJR and RFS zones and may undertake a drilling program; the timing of which will be dependent upon results at other properties and availability of Company resources.

Relief Canyon, Nevada

On June 15, 2006, the Company entered into a “Minerals Lease, Sublease and Agreement” to lease the Relief Canyon property from Newmont. Under the terms of the lease, the Company will be subject to yearly work commitments that total US\$3.6 million over a period of 7 years (consisting of US\$150,000 (completed), US\$250,000 (completed), US\$350,000 (completed), US\$500,000 (completed), US\$600,000, US\$750,000,

US\$1,000,000, respectively, in each year of the first seven years of the agreement dated June 15, 2006), of which US\$400,000 is a firm obligation and must be expended by June 15, 2008 (completed). Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study as defined in the agreement. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont 49% Victoria joint venture with Newmont as operator. In order to acquire a 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Relief Canyon property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, the Company is required to make a US\$1.5 million cash payment to acquire Newmont's remaining rights to the project and will grant Newmont a sliding scale NSR of up to 5% based on the price of gold, less any underlying royalties, but subject to a minimum of 2%. Two pre-existing royalties exist, one of which would increase the total royalty to 5.5%, but which covers a single, partial section away from the existing mine. All other sections and unpatented claims are subject to a maximum 5% NSR.

During the year ended February 28, 2010, and through the date of this report, the Company performed minimal exploration work on the property. The claim block has been reduced from 645 to 438 unpatented lode claims, 2 mining leases and 1 mineral lease.

The Company plans to undertake further structural mapping and possible drilling at Relief Canyon; the timing of which will be dependent upon results at other properties and availability of Company resources

Big Springs, Golden Dome, Mac Ridge, Dorsey Creek & Island Mountain, Nevada

By an agreement dated December 23, 2002, the Company purchased a 100% interest in the Big Springs, Golden Dome, Mac Ridge, Dorsey Creek and Island Mountain mineral claims located in the Jerritt Canyon area of Nevada, USA. During 2007, the Company issued the final tranche of 100,000 shares to the vendor, completing the issuance of a total of 500,000 shares as required by the agreement. The majority of the claims forming these properties are subject to net smelter return royalties of 2% to 3%. Beginning on the seventh anniversary of the agreement the Company must pay annual advance royalty payments of \$100,000. The first advance royalty payment was made on December 23, 2009.

The Big Springs and Golden Dome properties consist of 138 claims and 339 claims respectively and are contiguous, Golden Dome being located south of Big Springs. Mac Ridge consists of 126 mineral claims and is contiguous to the east of Big Springs while Dorsey Creek consists of 46 claims which are contiguous to the west of Big Springs. The Island Mountain property consists of 53 claims and is located approximately 35 kilometres northeast of Big Springs.

An option, by agreement dated November 16, 2007 and amended May 10, 2010, was granted to an arm's length party to earn a 51% interest in the **Island Mountain** property by paying US\$100,000, issuing 1,150,000 shares, and incurring US\$2,500,000 in exploration expenditures over six years. Upon earning a 51% interest, the optionee can earn an additional 14% interest upon paying an additional US\$75,000, issuing an additional 600,000 shares, and incurring an additional US\$2,500,000 in exploration expenditures over two years. Thereafter, the optionee can earn an additional 10% interest by completing a feasibility study on the property within one year of exercising the option for the additional 10% interest.

In January 2006, Gustavson Associates LLC of Boulder, Colorado completed a global resource estimate for the **Big Springs**, Mac Ridge, and Dorsey Creek projects. The resource estimate was based on Gateway's drill hole database and on a database of nearly 2,000 holes acquired from AngloGold North America and its predecessors who were the previous operators.

The results of this estimate are considered to be in the inferred category and are summarized in the following table:

<u>Cutoff Grade</u>	<u>Total</u>	<u>Average</u>	<u>Contained</u>
<u>g/t Gold</u>	<u>Tonnes</u>	<u>Grade (g/t)</u>	<u>Ounces Gold</u>
10.26	424,566	15.43	211,000
8.57	558,831	13.92	250,000
6.86	829,175	11.83	315,000
5.14	1,391,635	9.39	420,000
3.43	2,714,324	6.79	592,000
1.71	7,577,791	3.87	944,000
0.86	13,984,395	2.67	1,195,000

Note: g/t = grams of gold per tonne and 34.286 grams = 1 ounce per imperial ton (opt)

Reference: "Technical Report on the Big Springs, Mac Ridge and Dorsey Creek Mineral Properties, Independence Mountains District, Elko County, Nevada, U.S.A." by G.R. Peatfield, Ph.D., and J.W. Rozelle, P.G., for Gateway Gold Corp., dated 14 March 2006 (table has been converted from imperial to metric measurements)

During the year ended February 28, 2010, and through the date of this report, the Company continued permitting and environmental monitoring at Big Springs.

The Company plans to perform structural mapping and to continue environmental monitoring and will seek to obtain drilling permits at Big Springs. Drilling will be undertaken subject to receipt of permits and availability of Company resources.

Jack Creek, Nevada

The property comprises 53 claims and is located immediately south-west of the Dorsey Creek property.

The Jack Creek property was subject to an option agreement whereby a third party could earn a 70% interest in the property. The third party terminated the option agreement in May 2010.

The Company plans to perform structural mapping on the properties to determine targets and overall geologic potential.

Tassawini, Guyana

Tassawini is situated in the Barima-Waini District of Northwestern Guyana, located 170 km northwest of the capital, Georgetown, Guyana. The property consists of four medium scale mining permits (MSMP's) and two Prospecting Licenses (PL's).

On May 17, 2007 the Company released the first NI 43-101 mineral resource estimate of select zones within the property. On July 25, 2008 the Company released an updated NI 43-101 mineral resource estimate.

On April 27, 2010, the Company announced it had completed the sale of the subsidiary which holds all of the interests in the Company's Guyanese gold assets, including the Tassawini property, to Takara Resources Inc. ("Takara").

Pursuant to this transaction, Takara has issued 21,858,355 of its common shares to Victoria. The shares are subject to a 4-month hold period and will be held in escrow with a release as follows: 10% on issuance of the TSX Venture

Exchange bulletin (received) and 15% every six months thereafter for a period of three years. Victoria shall also be entitled to an additional 4,000,000 shares of Takara in the event that Takara reaches certain operational or exploration milestones. Victoria is also entitled to a pre-emptive right, expiring on September 30, 2011, subject to extension, enabling it or any of its affiliates to participate in future equity financings in Takara, in order to maintain a minimum 19% shareholding, on a non-diluted basis.

BRL Venture, Guyana

On September 27, 2005, StrataGold entered into a joint venture agreement (the “BRL Venture”) with Newmont. The BRL Venture provides for the exploration and evaluation of Company’s Guyana properties but excludes the Tassawini and Anaturi PL’s. Under the BRL Venture, SGI and Newmont would equally fund exploration on the BRP on a 50% - 50% basis. Newmont is currently the manager of the BRL Venture.

As the Company did not fully contribute for its share of the Phase II exploration program, SGI’s interest in the BRL Venture was diluted to 31.24% as of December 31, 2009.

On April 27, 2010, the Company announced it had completed the sale of the subsidiary which holds all of the interests in the Company’s Guyanese gold assets, including its’ interest in the BRL Venture, to Takara Resources Inc. (“Takara”).

Clear Creek, Yukon Territory

Clear Creek is located 110 km east of Dawson, Yukon between the Little South Klondike River and Clear Creek. The property is comprised of 77 un-surveyed quartz mining claims covering approximately 1341 hectares located in the Dawson City Mining District, Yukon. The property was acquired as part of the package of properties, including Dublin Gulch, acquired from New Millennium Mining in 2004. The Clear Creek property is subject to two underlying property agreements, each of which is subject to a 2% NSR royalty which can be purchased by Strata under each agreement for \$1,000,000. Advance royalty payments totalling \$57,500 are due annually.

On December 31, 2009, the Company entered into an Option Agreement with Golden Predator Royalty & Development Company (“Golden Predator”). Golden Predator can earn a 100% interest in the Clear Creek property by making cash payments of \$1,050,000, issuing 1,050,000 Golden Predator shares to Victoria and incurring \$3,000,000 in exploration expenditures on the property. Victoria will retain a 3% NSR royalty with Golden Predator having the right to buy back 1% of the NSR royalty for \$1,000,000.

Hyland, Yukon Territory

The Hyland property lies at the extreme south end of the Tintina Gold Belt, 70 km northeast of Watson Lake. The property covers 5497 ha and consists of 299 claims that are the consolidation of numerous properties that were explored during the 1980s and 1990s by several different groups as well as new claims staked by the Company. The current consolidated property consists of 299 claims which were staked by the Company. All of the claims are in good standing until at least February 14, 2017.

Various claims within the Hyland claim block are subject to a 1.0% NSR royalty to Cash Minerals Ltd., a 0.25% NSR royalty to Strategic Metals Ltd. and/or a 1.0% NSR royalty to Adrian Resources Ltd. These royalties resulted from consolidation of interest in the Hyland area claims in 1999, 2002 and 2003.

On December 7, 2009, the Company entered into an Option Agreement with Argus Metals Corp. (“Argus”). Argus can earn a 100% interest in the Hyland property by making cash payments of \$175,000, issuing 800,000 Argus shares to Victoria and incurring \$2,250,000 in exploration expenditures on the property. Victoria will retain a 2.5% Net Smelter Returns (“NSR”) royalty on the property less any existing royalties. Argus has the right to buy back the equivalent of 1.5% of the NSR royalty for \$1,000,000.

Other Properties

Other properties in the Yukon include Canalask, Donjek and Eureka and in Ontario the Russell Creek and Watabeag properties. The Donjek property is subject to an option agreement. The Company has a 1% NSR royalty interest in Eureka.

Kaituma, Guyana

The Kaituma PL was granted to the Company by the GGMC on January 26, 2006, with an effective date of November 25, 2005, and encloses approximately 4634 hectares, save and except all pre-existing underlying mineral rights. The Kaituma PL is centered approximately 47 km WNW of Tassawini. The Kaituma PL is outside the area of the BRL Venture. There is a US\$220,000 work commitment in the first year which has been met. In November 2009, the Kaituma PL was further extended for one year.

On January 21, 2010, the Company entered into a Mineral Property Purchase Agreement to sell the Kaituma property to Argus Metals Corp. ("Argus"). In consideration for the acquisition, Argus will pay to Victoria, upon meeting certain conditions and milestones, cash consideration of US\$111,300 (received) and 550,000 Argus shares (300,000 received). Victoria retains a 1% NSR royalty with Argus having the right to buy back 0.375% of the NSR royalty for US\$625,000.

Summit, Nevada

On March 18, 2010, the Company terminated the agreement with the underlying property owner, Taminco Inc., and as a result, the Company has written off the deferred acquisition and exploration expenditures.

Carlin East, Nevada

On November 6, 2009, the Company terminated the agreement with the underlying property owner, Genesis Gold Corporation, and as a result, the Company has written off the deferred acquisition and exploration expenditures.

Toiyabe, Nevada

The Company did not renew the claims comprising the Toiyabe property in 2009 and as a result, the Company has written off the deferred acquisition and exploration expenditures.

Hilltop-Slaven, Nevada

On August 9, 2009, the Company terminated the agreement with the underlying property owner, Newmont, and as a result, the Company has written off the deferred acquisition and exploration expenditures.

Black Canyon, Nevada

On July 3, 2009, the Company terminated the agreement with the underlying property owner, Sleeping Midas, LLC, and as a result, the Company has written off the deferred acquisition and exploration expenditures.

Seven Troughs, Nevada

On January 27, 2009, the Company terminated the agreement with the underlying property owner, Newmont, and as a result, the Company has written off the deferred acquisition and exploration expenditures.

SELECTED ANNUAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements prepared in accordance with Canadian GAAP, for each of the years ended February 28 or 29.

Selected Annual Information ended:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total revenues	\$ -	\$ -	\$ -
Net loss	\$ 6,200,202	\$ 10,099,793	\$ 1,514,582
Net loss per share— basic and diluted	\$ 0.033	\$ 0.100	\$ 0.020
Total assets	\$ 75,830,466	\$ 37,245,325	\$ 36,876,770
Total long-term liabilities	\$ 719,765	\$ 219,208	\$ 212,669

RESULTS OF OPERATIONS

Years ended February 28, 2010 and 2009

The Company reported a loss of \$6,200,202 (\$0.033 per share) for the year ended February 28, 2010, compared to a loss of \$10,099,793 (\$0.100 per share) in the equivalent period during the previous year. The decrease in the current year's loss resulted from higher salaries, office and administrative expenses, marketing and losses on foreign exchange, offset by lower property impairment.

Variance analysis	<u>2010</u>	<u>2009</u>	<u>2010 vs 2009</u>
Expenses			
Stock-based compensation	\$ 462,180	\$ 521,849	\$ (59,669)
Salaries	2,092,017	896,342	1,195,675
Office and administrative	560,007	209,069	350,938
Consulting	303,577	350,476	(46,899)
Marketing	450,577	262,999	187,578
Legal and accounting	537,529	352,679	184,850
Interest and bank charges	20,447	14,078	6,369
Amortization	151,169	56,643	94,526
Resource property costs and impairments	2,104,534	7,854,719	(5,750,185)
	<u>6,682,037</u>	<u>10,518,854</u>	<u>(3,836,817)</u>
Loss before the undernoted expenses	6,682,037	10,518,854	(3,836,817)
Foreign exchange loss/ (gain)	509,640	(271,087)	780,727
Change in fair value of marketable securities	808	-	808
Loss on disposal of assets	346,962	-	346,962
Gain on joint venture investment	(206,824)	-	(206,824)
Income tax recovery	(1,070,433)	-	(1,070,745)
Interest income	(61,988)	(147,974)	85,986
Net loss and comprehensive loss for the period	6,200,202	10,099,793	(3,899,591)

Salaries are \$1,195,675 higher year over year due to the increased number of employees. Increased office and administration expenses of \$350,938 are primarily the result of the inclusion of the StrataGold and Gateway offices. Management has placed an increased emphasis on marketing, leading to a year over year cost increase of \$187,578. Increased M&A activity has lead to a year over year increase of \$184,850 for legal and accounting. Losses on foreign exchange during the year ended February 28, 2010 were \$509,640 compared to a gain of \$271,087 in the

previous year's comparable period due to fluctuations in the Canadian and US exchange rate. Interest income was \$85,986 lower during the current year period due to lower average cash balances and interest rates. The cost increases were offset by lower stock-based compensation. During the year ended February 28, 2010, the Company reported stock-based compensation expense of \$462,180 versus \$521,849 for the previous year's comparable period. The decrease in stock-based compensation expense is due to the vesting schedule and lower fair value of options granted. The current year's resource property write-off is \$2,104,534 compared to \$7,854,719 during the previous year.

Total assets increased by \$38.6 million from \$37.2 million to \$75.8 million during the period from March 1, 2009 to February 28, 2010. Current assets increased by \$15.7 million (see "Liquidity and Capital Resources" herein) while resource properties increased by \$22.2 million due to the StrataGold acquisition and continued exploration expenditures. Total liabilities, primarily accounts payable and accrued liabilities were higher by \$4.1 million due to increased activities associated with the StrataGold transaction and timing of payments associated with regular operating activities.

Summary of Unaudited Quarterly Results:

	<u>28 Feb 10</u>	<u>30 Nov 09</u>	<u>31 Aug 09</u>	<u>31 May 09</u>
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss	\$ 109,425	\$ 3,006,879	\$2,175,098	\$ 908,800
Loss per share – basic and diluted	\$ 0.000	\$ 0.015	\$ 0.012	\$ 0.006
	<u>28 Feb 09</u>	<u>30 Nov 08</u>	<u>31 Aug 08</u>	<u>31 May 08</u>
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss	\$ 8,327,679	\$ 802,857	\$ 545,621	\$ 423,635
Loss per share – basic and Diluted	\$ 0.066	\$ 0.009	\$ 0.006	\$ 0.005

LIQUIDITY AND CAPITAL RESOURCES

At February 28, 2010, the Company had cash and cash equivalents of \$19,846,495 (February 28, 2009 - \$4,745,351) and a working capital surplus of \$17,554,700 (February 28, 2009 – \$5,386,069). The increase in cash and cash equivalents of \$15.1 million over the year ended February 28, 2010, was due to the issuance of common shares for cash and the exercise of warrants and options (\$30.5 million increase in cash) offset by investing activities (\$11.1 million use of cash, including \$10.6 million for the on-going exploration of the Company's resource properties) and operating expenses and changes in working capital including foreign exchange gains and losses (\$4.2 million use of cash).

The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. The Company periodically seeks financing to continue the exploration of its mineral properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date, there can be no assurances that additional funding will be available in the future. These combined factors lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements have been prepared using Canadian GAAP applicable to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations as they come due. These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The Company is in the process of advancing its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral

properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values.

The Company holds the predominant amount of its cash in chequing accounts at a major Canadian bank and treasury management funds (“the Funds”), which are managed by a wholly-owned subsidiary of a major Canadian bank. The Funds predominantly invest in Government of Canada treasury bills.

OPERATING ACTIVITIES

During the year ended February 28, 2010, operating activities, including non-cash working capital changes, required funding of \$4.0 million (as compared with the same period during the previous year that required funding of \$2.7 million). The year over year increase in cash required for operating activities is due higher usage of cash for working capital purposes, higher salary, office and administrative expenses, legal expenses and marketing.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended February 28, 2010.

During February 2009, the company paid a director of the Company and former Chief Executive Officer of Gateway, severance of \$258,600. This amount was included in accounts payable and accrued liabilities of Gateway as at December 18, 2008.

On May 20, 2008, an officer of the Company, exercised options to purchase 200,000 common shares of the Company at 0.91 per share and the Company advanced the officer the funds to purchase the shares. The total funds for this purchase, of \$182,000, were received on June 13, 2008 and were included in accounts receivable during the intervening period.

FINANCING ACTIVITIES

On April 20, 2010, the Company closed a non-brokered private placement flow-through offering (the “Offering”) raising gross proceeds of approximately \$4.3 million, representing the issuance of 4,100,000 common shares priced at \$1.05 per share. Finders’ fees of \$225,500 were paid in conjunction with the Offering. The flow-through shares will be subject to a four-month hold period.

April 20, 2010 Financing (All amounts are approximate)

<u>Description</u>	<u>Prior Disclosure</u>	<u>Actual Spent</u>	<u>Remaining*</u>	<u>Total</u>	<u>Variance</u>
Eagle Exploration	\$4.3	\$0	\$0	\$4.3	Nil

*Remaining funds are held in the form of cash and are expected to be used by the Company to incur exploration expenses in respect of the Eagle Gold Project.

On November 24, 2009, the Company closed a brokered agreement of 23,809,522 special warrants (“Special Warrants”), priced at \$0.63 per Special Warrant, for gross proceeds of \$14,999,999 (the “Offering”). Each Special Warrant was exercisable into one common share of the Company (a “Common Share”). On January 26, 2010, the Company received a receipt for its final prospectus which qualified the distribution of Common Shares issuable upon exercise of the Special Warrants. Kinross Gold Corporation (“Kinross”) purchased 3,174,603 Special Warrants of the Offering and, after conversion of the Special Warrants into Common Shares, held a 21% interest in the Company as at November 24, 2009. Raymond James Limited, led a syndicate of underwriters (together, the “Agents”) in connection with the Offering and received a cash commission equal to 6% of the gross proceeds from the sale of the Offering.

November 24, 2009 Financing
(All amounts are approximate)

<u>Description</u>	<u>Prior Disclosure</u>	<u>Actual Spent</u>	<u>Remaining*</u>	<u>Total Forecast</u>	<u>Variance</u>
Eagle Gold Project exploration	\$3.0	\$0.2	\$0.8	\$1.0	\$(2.0)
Eagle Gold Project development	\$7.0	\$1.0	\$5.0	\$6.0	\$(1.0)
Corporate expenses	\$2.1	\$0.5	\$1.6	\$2.1	\$-
Nevada exploration	\$2.0	\$1.3	\$3.7	\$5.0	\$3.0
Total:	\$14.1	\$3.0	\$11.1	\$14.1	Nil

*Remaining funds are held in the form of cash or cash equivalents.

On August 6, 2009, the Company closed a brokered private placement of 4,231,055 flow-through common shares priced at \$0.45 each, for gross proceeds of \$1.9 million (the "Offering"). Sandfire Securities Inc. (the "Agent") acted as agent and received a cash commission equal to 7% of the gross proceeds from the sale of the Offering. The Agent was also issued broker warrants to purchase 285,285 common shares of the Company at a price of 0.45 per common share until August 6, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on December 12, 2009.

August 6, 2009 Financing
(All amounts are approximates)

<u>Description</u>	<u>Prior Disclosure</u>	<u>Actual Spent</u>	<u>Remaining</u>	<u>Total</u>	<u>Variance</u>
Eagle Exploration	\$1.9	\$1.9	\$0	\$1.9	Nil

Pursuant to the terms of the warrants issued on December 18, 2008, if the closing price of common shares of the Company on the TSX Venture Exchange is equal to or greater than \$0.35 per common share for a period of 20 consecutive trading days at any time after four months and one day from the date of the issue of the warrants, the Company was entitled to accelerate the expiry date of the warrants. The Company delivered such notice to the warrant holders that it was exercising the foregoing right of acceleration such that the term of the warrants would expire on July 18, 2009. 10,647,000 warrants (representing all of the warrants issued in the December 18, 2008 placement) were subsequently exercised providing the Company with proceeds of \$2,661,750.

On June 4, 2009, the Company completed the acquisition of StrataGold by way of Plan of Arrangement. Pursuant to the Arrangement, holders of StrataGold shares were entitled to receive 0.1249 of a Victoria common share for each StrataGold common share held totalling 23,000,709 common shares to shareholders of StrataGold.

On May 1, 2009, the Company issued 200,000 shares to a consultant of the Company to settle an outstanding debt.

On January 17, 2009, the Company issued 180,000 shares as per amendments to underlying property lease agreements at the Black Canyon (100,000 shares), Carlin East (50,000 shares) and Summit (30,000 shares) properties.

On January 8, 2009, the Company issued 83,833 shares to a consultant of the Company to settle an outstanding debt.

On December 18, 2008, the Company completed the acquisition of Gateway by way of Plan of Arrangement. Pursuant to the Arrangement, holders of Gateway shares were entitled to receive 0.50 of a Victoria common share for each Gateway common share held totalling 19,071,084 common shares to shareholders of Gateway.

On March 13, 2009, the Company closed a brokered private placement of 15,832,000 Units and 6,791,800 Subscription Receipts priced at \$0.45 each, for gross proceeds of \$10.2 million (the "Offering"). Each Unit "Unit" consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitled the holder to acquire one additional common share at a price of \$0.55 until March 13, 2012. Each Subscription Receipt was converted, upon satisfaction of certain escrow release conditions, into one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "SR Warrant"). Each SR Warrant entitled the holder to acquire one additional common share of the Company at a price of \$0.55 until March 13, 2011. The escrow release conditions include the completion by the Company of the acquisition of StrataGold Corporation ("StrataGold") announced on February 11, 2009 (the "StrataGold Acquisition") and have been fully met. Wellington West Capital Markets Inc. led a syndicate including Raymond James Ltd., Haywood Securities Inc. and M. Partners (together, the "Agents") in connection with the Offering. As compensation for services rendered in connection with the Offering, the Agents were paid a cash commission equal to 7% of the gross proceeds from the sale of Units and Subscription. The Agents were also issued broker warrants to purchase 1,583,666 Common Shares of the Company at a price of \$0.45 per Common Share until March 13, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on July 13, 2009.

On December 18, 2008, the Company closed a brokered private placement of 21,294,000 Units (the "Units") priced at \$0.20 per Unit, for gross proceeds of \$4.3 million (the "Offering"). Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.25 for a twenty-four month period until December 18, 2010. In the event that the trading price of the common shares of the Company closes at or above \$0.35 per share for 20 consecutive trading days on the TSX Venture Exchange in the period commencing four months and one day after the closing date, the Company will have the right to accelerate the expiry date of the Warrants to the date which is 30 days after the Company elects to give notice to the holders of Warrants of such accelerated expiry date. Kinross Gold Corporation ("Kinross") purchased 12,500,000 Units of the Offering and, along with their subsidiary EastWest Gold, collectively hold a 28% interest in the Company. Wellington West Capital Markets Inc. acted as agent "Agent" in connection with the Offering. As compensation for services rendered in connection with the Offering, Wellington West Capital Markets Inc. was paid a cash commission equal to 7% of the gross proceeds from the sale of Units to purchasers other than Kinross, and a cash commission equal to 3.5% of the gross proceeds from the sale of Units to Kinross. Wellington West Capital Markets Inc. was also issued broker warrants to purchase 615,580 Common Shares of the Company at a price of \$0.20 per Common Share until December 18, 2009. For accounting purposes, the Company has determined a value of \$1,107,217 (\$1,044,395 for the purchase warrants and \$62,822 for the Agents' warrants) for the warrants. The fair values of the warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 1.21%, an expected life of one year, an expected volatility of 115%, and a dividend yield rate of nil. All securities issued pursuant to the Offering were subject to a four month hold period which expired on April 19, 2009.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. The numbers presented herein include common shares, options and warrants issued in conjunction with the closing of the Gateway transaction and the StrataGold transaction. As of June 22, 2010, the number of issued common shares was 234,215,216. (251,527,992 on a fully diluted basis).

As at June 22, 2010, there were 12,376,731 director, employee and consultant stock options outstanding with an exercise price ranging from \$0.21 to \$10.64 per share and expiring between January 21, 2011 and December 18, 2014. This represents 5% of the issued and outstanding common shares. As at June 22, 2010, there were 4,936,000 warrants (including agent's warrants) outstanding with an exercise price of \$0.45 per share and with expiration dates ranging between March 13, 2011 and March 13, 2012.

RISK AND UNCERTAINTIES

Exploration and mining risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Financial capability and additional financing

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan.

Dependence on key personnel

Many of Victoria's personnel are specialized, highly skilled and experienced. The Company's future exploration success will depend to a significant extent on its ability to attract and retain qualified personnel. While Victoria has not experienced any significant difficulties to date in attracting and retaining personnel, there can be no assurance that this will continue. The loss of key personnel could have a material adverse effect on the Company's operations and business prospects.

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Risk exposure is summarized as follows:

(f) Credit risk

Certain of the Company's financial assets are exposed to a degree of credit risk. The Company endeavours to mitigate credit risk by holding its cash and cash equivalents as cash deposits and short-term government treasury funds with major commercial banks.

Credit risk relating to accounts receivable, loan receivable and restricted cash arises from the possibility that any counterparty to an instrument fails to perform. The Company's accounts receivable relate to recoveries of GST. Restricted cash includes reclamation bonds. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada and joint venture partners and interest bearing certificates of deposit held by Wells Fargo. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of such receivables and reclamation bonds.

(g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Accounts payables and accrued liabilities are due within the current operating period, from March 1, 2010 through May 31, 2010.

(h) Market risk

I. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term

investments included in cash and cash equivalents is limited as these investments, although available for sale, renew daily. The short-term investments included in cash and cash equivalents earn interest at prevailing rates.

II. Foreign currency risk

The Company's incurs exploration expenditures in the United States and Guyana and holds a portion of its cash and cash equivalents in US dollars. This gives rise to a risk that its US dollar expenditures and US dollar cash holdings may be adversely impacted by fluctuations in foreign exchange. The Company does not undertake currency hedging activities.

III. Price risk

The Company financial assets and liabilities are not exposed to price risk with respect to commodity prices. The Company's exploration drill programs are exposed to price risk, of which the Company has no control. The Company's exploration drill programs are carried out by outside contractors. Cost increases for consumables such as fuel and drill bits are indirectly passed on to the Company through its contracted drill programs.

There has been no significant change in the risk factors affecting the Company on a period over period basis.

Sensitivity Analysis

The following table summarizes the sensitivity of the Company's cash, cash equivalents and restricted cash to changes in interest rates and foreign exchange rates over the twelve month reporting period ended February 28, 2010.

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Cdn\$ denominated	944,987	9,450	(9,450)	-	-
Cash - US\$ denominated	1,393,727	13,937	(13,937)	139,373	(139,373)
Cash - Guyanese \$ denominated	22,261	223	(223)	2,226	(2,226)
Treasury funds –Cdn\$ denominated	17,485,520	174,855	(174,855)	-	-
Total cash and cash equivalents	19,846,495	198,465	(198,465)	141,599	(141,599)
Reclamation bonds - US\$ denominated (non-interest bearing)	407,772	-	-	40,777	(40,777)
Reclamation bonds - US\$ denominated (interest bearing)	418,617	4,186	(4,186)	41,862	(41,862)
American Express deposit - US\$ denominated (interest bearing)	-	-	-	-	-
Total amount or impact - cash and deposits	20,672,884	202,651	(202,651)	224,238	(224,238)

1) Interest earned on the Company's interest bearing cash accounts, treasury funds and certificates of deposit is at prevailing rates that fluctuate with changes in banking interest rates and Government t-bill rates. Management believes that a plus or minus 1% annual change in rates is a reasonable estimate of variability over a twelve month period.

2) The Company's US dollar cash balance, US dollar reclamation bonds and US dollar based certificates of deposit are subject to foreign exchange risk. Management has shown a sensitivity analysis of a plus or minus change of 10%.

ACCOUNTING CHANGES

Effective March 1, 2009, the Company adopted new accounting recommendations as outlined below. These changes impacting the Company have been applied with no restatement of prior periods.

Financial Instruments – Disclosures (Section 3862)

During 2009, the CICA amended Handbook Section 3862 "Financial Instruments – Disclosures" to require enhanced disclosures about the relative reliability of the data that an entity uses to measure the fair values of its financial instruments. Additional disclosures as required by this amendment include the classification of financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used in estimating fair values – see note 15, Financial instruments. These requirements have been incorporated into the consolidated financial statements.

FUTURE ACCOUNTING CHANGES

Business Combinations, Section 1582

Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards (“IFRS”). Section 1582 is applicable for business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted.

Consolidated Financial Statements, Section 1601

Section 1601 provides guidance on the preparation of consolidated financial statements. This is effective for interim and annual consolidated financial statements relating to fiscal years beginning on or after January 2011 and will be adopted by the Company on March 1, 2011.

Non-controlling Interests, Section 1602

Section 1602 provides guidance on accounting for non-controlling interests subsequent to a business combination. This is effective for fiscal years beginning on or after January 2011 and will be adopted by the Company on March 1, 2011.

Adoption of International Financial Reporting Standards (IFRS)

In February 2008, the CICA announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced by International Financial Reporting Standards (“IFRS”) for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company’s reporting for the first quarter of 2011 for which the current and comparative information will be prepared under IFRS. The Company is required to apply all of those IFRS standards which are effective for fiscal year ending February 28, 2012 and apply them to its opening March 1, 2010 balance sheet.

The Company’s IFRS implementation project consists of three primary phases which will be completed by a combination of in-house resources and external consultants.

- Initial diagnostic phase (“Phase I”) – Involves preparing a preliminary impact assessment to identify key areas that may be impacted by the transition to IFRS. Each potential impact identified during this phase is ranked as having a high, moderate or low impact on our financial reporting and the overall difficulty of the conversion effort.
- Impact analysis, evaluation and solution development phase (“Phase II”) – Involves the selection of IFRS accounting policies by senior management and the review by the audit committee, the quantification of the impact of changes on our existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
- Implementation and review phase (“Phase III”) – Involves training key finance and other personnel and implementation of the required changes to our information systems and business policies and procedures. It will enable the Corporation to collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

Financial reporting expertise and communication to stakeholders

The Company has retained an external consultant to establish appropriate IFRS financial reporting expertise at all levels of the business. The Company has also provided Audit Committee members with detailed project scoping, timelines and deliverables. Based on matters brought to their attention the Audit Committee members will review the Audit Committee Charter and make changes to reflect the requirements for IFRS financial expertise if deemed to be necessary. The Audit Committee will continue to receive periodic presentations and project status updates from the external consultant and management.

The Company has completed the preliminary diagnostic phase and will continue to update its disclosures throughout 2010 to reflect specific actions taken to facilitate adoption of IFRS effective March 1, 2011. The Company will also

continue to review and update its preliminary conclusions from the diagnostic phase during 2010 as new facts emerge. The differences that have been identified in the diagnostic phase are summarized below.

a) Transitional Impact on Financial statement presentation and classification

The Company's financial statements will have a different format upon transition to IFRS.

The components of a complete set of IFRS financial statements are: statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes including accounting policies. The income statement will be presented as a component of the statement of comprehensive income. The balance sheet may be presented in ascending or descending order of liquidity. The income statement is classified by each major functional area – marketing, distribution, etc.

Impact on Company: The Company will reformat the financial statements in compliance with IAS 1.

b) IFRS-1 Transitional policy choices and exceptions for retrospective application

IFRS-1 contains the following policy choices with respect to first-time adoption that are applicable to the Company.

Designation of previously recognized financial instruments:

IFRS: IAS 39 restricts the circumstances in which the option to measure a financial instrument at fair value through profit or loss is available. In particular, an entity is permitted to designate, at the date of transition to IFRSs, any financial asset or financial liability as at fair value through profit or loss provided the asset or liability meets certain criteria. **Canadian GAAP:** Contains no similar restriction. **Impact on Company:** *The Company has certain marketable securities that it has previously designated as held-for-trading. During Phase II the Company will re-evaluate its policy by reference to the IAS 39 criteria to determine whether this will have a material impact upon transition. At the present time the Company does not expect a material impact.*

Property, plant & equipment:

IFRS 1 provides a choice between measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical valuation under the prior GAAP. **Impact on Company:** *The Company will elect to use the historical balances under Canadian GAAP as the deemed cost for transitional purposes. With respect to assets acquired through external acquisitions the Company will elect to use the valuations at which the assets were recognized at date of acquisition.*

c) Mandatorily applicable standards with retrospective application (i.e., not specifically exempt under IFRS - 1)

Mineral resource properties and deferred exploration costs

Upon adoption of IFRS the Company will have a choice between retaining its existing policy of capitalizing all pre feasibility evaluation and exploration ("E&E") expenditures and electing to change its policy retrospectively to expense all pre feasibility E&E costs.

Impact on Company: The Company will make a final determination of its policy in this area during Phase II.

Property, plant and equipment - cost

IFRS: IAS 16 contains more extensive guidance with respect to components within PP&E. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting). **Canadian GAAP:** Section 3061 essentially contains similar guidance but is less extensive. **Impact on Company:** *The Company does not expect that this will have a material impact upon transition.*

Property, plant and equipment - impairment

IFRS: Under IAS 36 an asset is impaired if the recoverable amount is lower than the asset's carrying amount. The recoverable amount is defined as the higher of the asset's fair value less cost to sell and its value-in-use. The value-

in-use calculation involves discounting the expected future cash flows to be generated by the asset to their net present value. Canadian companies should (i) determine the existence of any impairment loss, and (ii) measure and recognize such impairment, if any at March 1, 2010. **Canadian GAAP:** A two-step approach is used to measure impairment. In step 1, a recoverability test is performed by comparing the expected undiscounted future cash flows to be derived from the asset with its carrying amount. If the asset fails the recoverability test, step 2 is triggered, and the entity must record an impairment loss calculated as the excess of the asset's carrying amount over its fair value. **Impact on Company:** *During Phase II the Company will use IAS 36 methodology to determine whether any impairment must be recognized at March 1, 2010.*

Future income taxes recognized in connection with Flow-through shares

IFRS: There is no specific standard under IFRS that directly addresses flow-through shares. **Canadian GAAP:** The Company reduces the net proceeds of the flow through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow through share subscribers.

Impact on Company: *During Phase II the Company will review (i) the general principles in IAS 12, (ii) additional guidance from the CICA Accounting Standards Board and (iii) the FASB model that has been endorsed by the SEC through the SEC International Practices Task Force in determining the adjustments that might be required as at March 1, 2010 and for the annual and interim periods ended February 28, 2011.*

Provision for environmental rehabilitation

IFRS – IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. **Canadian GAAP – CICA Section 3110** applies to legal obligations associated with the retirement of a tangible long-lived asset. Such an obligation is to be initially measured at fair value in the period in which the obligation is incurred, unless it cannot be reliably measured at that date. **Impact on Company:** *During Phase II the Company will recalculate the ARO liability to determine whether there is a material impact upon transition. The Company does not expect a material transitional impact.*

Functional currency

The Company uses the Canadian dollar as both its functional and reporting currency. IAS 21 contains a more comprehensive framework for the determination of functional currency.

Impact on Company: *During Phase II the Company will review the IAS 21 criteria to determine whether there is a material impact upon transition at March 1, 2010 or at February 28, 2011 and for the interim periods and the year then ended. The Company does not expect a material transitional impact.*

Share based compensation

IFRS: Under IFRS 2, graded vesting awards must be accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. **Canadian GAAP:** Straight line basis is permissible under Canadian GAAP.

Impact on Company: *The Company has recognized option expense on a graded basis that is consistent with the IFRS 2 amortization methodology. Accordingly, the Company does not expect any transitional impact for options unvested at March 1, 2010. For options granted on or after March 1, 2010 the Company will calculate the aggregate fair value as though each instalment is a separate award and will amortize the value on a graded basis.*

Impact on the Company's systems and processes

Based on findings from the diagnostic phase of the project the Company does not expect that adoption of International Accounting Standards will have a pervasive impact on its present systems and processes. The Company expects to implement certain minor changes to the general ledger account descriptions as well as the calculation methodologies currently in use for certain specific financial statement areas such as asset impairment, share based compensation etc. As the accounting policies are selected, appropriate changes to ensure the integrity of disclosure controls and procedures will be made. For example, any changes in accounting policies could result in additional controls or procedures being required to address reporting of first time adoption as well as ongoing IFRS

reporting requirements. At this point, the Company has not determined its final accounting policy choices. The certifying officers plan to complete the design, and initially evaluate the effectiveness of, any significant changes to controls in the third quarter of 2010 to prepare for certification under IFRS in 2011.

OFF-BALANCE SHEET TRANSACTIONS

During the most recent fiscal year ended February 28, 2010, and up to the date of this report, the Company had no off-balance sheet transactions.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and reclamation bonds. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The reclamation bonds are held with a state of Nevada governmental institution, a joint venture partner or as letters of credit at Wells Fargo and represent restricted cash, which will be returned to the Company upon the satisfactory completion of reclamation obligations. The reclamation bonds and certain of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in \$US leading to currency risk arising from fluctuations in the \$C and \$US exchange rate. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

“Chad Williams”

Chad Williams
Chief Executive Officer & President

“Marty Rendall”

Marty Rendall
Chief Financial Officer