



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

CONSOLIDATED FINANCIAL STATEMENTS

Years ended February 28, 2009 and February 29, 2008
(expressed in Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying consolidated financial statements and all other financial information included in this report is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements include certain amounts based on estimates and judgements. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, consistent with reasonable cost, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of Directors, two of whom are non-management and independent while one is non-management and not independent, meets with management and the external auditors to review the auditors' report and the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

The consolidated financial statements have been audited, on behalf of the shareholders, by the Company's independent auditors, PricewaterhouseCoopers LLP, in accordance with Canadian generally accepted auditing standards.

(signed) "Chad Williams"
Director, President and CEO
June 20, 2008

(signed) "Marty Rendall"
CFO
June 20, 2008

Auditors' Report

To the Shareholders of Victoria Gold Corp.

We have audited the consolidated balance sheets of Victoria Gold Corp. (the Company) as at February 28, 2009 and February 29, 2008 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2009 and February 29, 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 24, 2009

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CONSOLIDATED BALANCE SHEETS**AS AT FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**

(expressed in Canadian dollars)

	As at February 28 2009	As at February 29 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 4,745,351	\$ 9,922,962
Restricted cash (Note 15a)	1,052,823	399,996
Accounts receivable	48,328	18,851
Prepaid expenses	34,203	5,819
	5,880,705	10,347,628
Property and equipment (Note 7)	329,391	-
Deferred transaction costs	42,246	-
Resource properties (Note 6)	30,992,983	26,529,142
	\$ 37,245,325	\$ 36,876,770
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 494,636	\$ 769,113
Long-term		
Asset retirement obligations (Note 8)	219,208	212,669
	713,844	981,782
SHAREHOLDERS' EQUITY		
Capital stock (Note 9)		
Authorized		
Unlimited number of common shares, without par value		
Issued		
Common shares	49,080,376	39,604,591
Value assigned to stock and agent options and share purchase warrants (Note 10)	8,616,242	7,355,741
Deficit	(21,165,137)	(11,065,344)
	36,531,481	35,894,988
	\$ 37,245,325	\$ 36,876,770
Going concern (Note 1)		
Nature of operations (Note 2)		

Approved on behalf of the Board “T. Sean Harvey “ Director “ Michael D. McInnis “ Director

(See accompanying notes to consolidated financial statements)

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**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE
LOSS AND DEFICIT****FOR THE YEARS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**

(expressed in Canadian dollars)

	2009	2008
Expenses		
Stock-based compensation (Note 10)	\$ 521,849	\$ 880,155
Salaries	896,342	291,614
Office and administrative	617,360	427,506
Marketing	262,999	79,542
Legal	294,864	109,408
Interest expenses and bank charges	14,078	105,234
Accretion expense	12,060	-
Amortization	2,813	-
Impairment of resource properties (Note 6)	7,854,719	11,385
	10,477,084	1,904,844
Loss before the undernoted expenses (income)	10,477,084	1,904,844
Foreign exchange gain	(271,087)	(181,782)
Interest income	(147,974)	(208,480)
Loss on disposal of assets	41,770	-
	10,099,793	1,514,582
Net loss and comprehensive loss for the year	10,099,793	1,514,582
Deficit, beginning of year	11,065,344	9,550,762
Deficit, end of year	\$ 21,165,137	\$ 11,065,344
Basic and diluted loss per common share	\$ 0.100	\$ 0.020
Weighted average number of common shares outstanding	101,393,633	76,615,997

Going concern (Note 1)

(See accompanying notes to consolidated financial statements)

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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008
(expressed in Canadian dollars)

	2009	2008
Operating activities		
Net loss for the year	\$(10,099,793)	\$ (1,514,582)
Items not affecting cash:		
Write-off of resource properties	7,854,719	11,385
Stock-based compensation	521,849	880,155
Expenses settled with shares	20,120	-
Accretion expense of asset retirement obligations	12,060	5,508
Amortization	2,813	-
Net, unrealized, foreign exchange loss/ (gain)	(347,262)	130,187
Loss on disposal of assets	41,770	-
Changes in non-cash working capital:		
Accounts receivable	(25,271)	(7,802)
Prepaid expenses	(8,807)	(5,278)
Accounts payable	(642,015)	(861,714)
	(2,669,816)	(1,362,141)
Financing activities		
Common shares issued for cash, net of issue costs	3,941,621	14,668,295
Common shares issued on exercise of warrants and options	1,660,255	1,152,557
Repayment of note payable to EastWest Gold Corporation	-	(1,406,859)
	5,601,876	14,413,993
Investing activities		
Resource properties	(7,500,560)	(5,446,556)
Restricted cash	(67,621)	(73,865)
Proceeds on disposition of capital assets	3,000	-
Acquisition of Gateway (Note 5)	(730,748)	-
Transaction costs - StrataGold	(42,246)	-
	(8,338,175)	(5,520,421)
Foreign exchange gain (loss) on cash held in foreign currency	228,504	(66,945)
Increase (decrease) in cash and cash equivalents	(5,177,611)	7,464,486
Cash and cash equivalents, beginning of year	9,922,962	2,458,476
Cash and cash equivalents, end of year	\$ 4,745,351	\$ 9,922,962

Supplementary cash flow information (Note 11)

(See accompanying notes to consolidated financial statements)

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1 Going concern

While, at February 28, 2009, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of \$5,386,069 the Company reported a net loss of \$10,099,793 (2008 - \$1,514,582) for the year then ended and a closing deficit of \$21,165,137 (2008 - \$11,065,344). 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 (See Notes 9 and 19), 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 generally accepted accounting principles ("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.

2 Nature of operations and basis of presentation

Nature of operations

Victoria is engaged in the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties and is considered to be an exploration stage company.

Basis of presentation

These consolidated financial statements include the accounts of Victoria and its wholly-owned subsidiaries including:

- Victoria Resources (U.S.) Inc., a Nevada corporation,
- Gateway Gold Corp., a British Columbia corporation, and
- Gateway Gold (USA) Corp., a Nevada corporation.

Gateway Gold Corp. and Gateway Gold (USA) Corp. (together referred to as "Gateway") accounts are consolidated from the date of their acquisition by the Company, which took place on December 18, 2008.

All inter-company balances and transactions have been eliminated.

Change of name to Victoria Gold Corp.

On July 18, 2008, the Company changed its name from Victoria Resource Corporation to Victoria Gold Corp. Victoria continues to be a Canadian company incorporated in the Province of British Columbia.

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3 Summary of significant accounting policies

Use of estimates

The preparation of these consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assessment of the carrying value of resource properties, valuation of stock options and share purchase warrants and asset retirement obligations. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid money market instruments, that have a maturity of three months or less.

Resource properties

Mineral acquisition, exploration and development costs are capitalized on an individual project basis until such time as the economics of an ore body are defined. If production commences, these costs would be amortized on a units of production basis over the estimated mineral reserves. Unrecoverable costs for projects determined to be commercially not feasible are expensed in the year in which the determination is made or when the carrying value of the project is determined to be impaired.

Where information is available and conditions suggest impairment, estimated future net cash flows from each property are calculated using estimated future prices, proven and probable reserves, and operating and capital costs on an undiscounted basis. An impairment charge is recorded if the undiscounted future net cash flows are less than the carrying amount. Reductions in the carrying value of each property, with a corresponding charge to operations, are recorded to the extent that the estimated future net cash flows on a discounted basis are less than the carrying value in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-lived Assets".

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered. Any one of the following items, including but not limited to, are considered cause for impairment:

- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the future;
- Lease ownership rights expire;
- Sufficient funding is not expected to be available to complete the mineral exploration program; or
- An exploration property has no material economic value to the Company's business plan.

If impairment is identified, the carrying value of the property is written down to its estimated fair value. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided over the related asset's estimated useful life using the declining-balance or straight-line method as follows:

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- Furniture and fixtures – 20% declining balance;
- Computer equipment – 30% declining balance;
- Field equipment – 20% declining balance;
- Automotive equipment – 30% declining balance;
- Leasehold improvements – straight-line over the term of the lease (five years).

Future income taxes

The Company uses the liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Foreign exchange translation

The Company's US subsidiaries are integrated foreign operations and their financial statements are translated using the temporal method. Currency transactions and balances are translated into the reporting currency as follows:

- monetary items are translated at the rates prevailing at the balance sheet dates;
- non-monetary items are translated at historical rates;
- revenues and expenses are translated at the average rates in effect during applicable accounting periods except depreciation and amortization, which are translated at historical rates; and
- exchange gains and losses on foreign currency translation are included in operations for the year.

Stock-based compensation

Compensation expense for stock options granted is determined based on the estimated fair values of the stock options at the time of grant, the cost of which is recognized over the vesting periods of the respective options. In the determination of fair values, the Company uses the Black-Scholes option pricing model. Fair values are determined at the time of grant. The value of stock options earned by employees and consultants whose salaries are capitalized to resource properties are also capitalized to resource properties.

Asset retirement obligations

The fair values of liabilities for asset retirement obligations are recognized in the period they are incurred. The obligations are measured initially at fair value based on discounted cash flows and the resulting costs are capitalized to the carrying amount of the related asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost will be depreciated on the same basis as the related asset.

Loss per common share

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the year. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds from the exercise of options and warrants would be used to purchase common shares at the average market price during the year. The weighted average number of common shares outstanding is adjusted for the net increase in the number of common shares issued upon exercise of the options and warrants. Stock options and warrants are included in the calculation of diluted per share amounts only to the extent that the average market price of the common shares during the year exceeds the exercise price of the options or warrants. During years when the Company has generated a loss, the potential shares to be issued from the assumed exercise of options and warrants are not included in the computation of diluted per share amounts since the result would be anti-dilutive.

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4 Changes in accounting policies and accounting standards

Accounting changes

Effective March 1, 2008, the Company adopted new accounting recommendations from the CICA, Handbook, Section 1535 – “Capital Disclosures”, Section 3862 – “Financial Instruments – Disclosure”, Section 3863 – “Financial Instruments - Presentation”, Section 3031 – “Inventories” and Section 1400 – “Going Concern”. The changes are applied prospectively with no restatement of prior periods.

(i) Capital Disclosures, Section 1535

Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and, (iv) if it has not complied, the consequences of such non-compliance. The disclosures required by adoption of this section are presented in Note 17 – Management of Capital.

(ii) Financial Instruments, Sections 3862 and 3863

The new Sections 3862 and 3863 replace Handbook Section 3861, “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements and carrying forward, unchanged, its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The disclosures required by adoption of this section are presented in Note 15 – Financial instruments and risk management.

(iii) Inventories, Section 3031

Section 3031 relates to the accounting for inventories and revises and enhances the requirements for assigning costs to inventories. As at March 1, 2008 the adoption of this standard has had no effect on the Company’s results of operation, cash flows or financial position.

(iv) Going Concern, Section 1400

Section 1400, “General Standards on Financial Statement Presentation”, has been amended to include requirements to assess and disclose an entity’s ability to continue as a going concern. The standard requires that management make an assessment of a company’s ability to continue as a going concern and to use the going concern basis in the preparation of the financial statements unless management either intends to liquidate the company or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon a company’s ability to continue as a going concern, those uncertainties should be disclosed. The adoption of these amendments has not had a material impact on the Company’s consolidated financial statements.

Future accounting changes

Goodwill and Intangible Assets, Section 3064

Section 3064 replaces Section 3062, Goodwill and Intangible Assets, and Section 3450, Research and Development Costs. Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This standard is effective for interim and annual consolidated financial statements for fiscal years beginning on or after October 1, 2008, and will be adopted by the Company on March 1, 2009.

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

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("IFRS"). Section 1582 is applicable for business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, EIC-173

EIC-173 discusses the conclusion reached by the Emerging Issues Committee ("EIC") that an entity's own credit risk and the credit risk of the counterparty should be taken into account when determining the fair value of financial assets and financial liabilities, including derivative instruments. The recommendations on the accounting treatment discussed in this Abstract should be applied retroactively without restatement of prior periods. These recommendations will be adopted by the Company on March 1, 2009.

Impairment Testing of Mineral Exploration Properties, EIC-174

EIC-174 discusses the analysis recommended to be performed to determine if there has been an impairment of mineral exploration properties. These recommendations will be adopted by the Company on March 1, 2009.

Consolidated Financial Statements, Section 1601

Section 1601 provide 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.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability ("PAE's"). The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. The Company will be required to have prepared in time for its first quarter 2012 filing, comparative financial statements in accordance with IFRS for the three months ended May 31, 2011.

The Company continues to assess the impact of these new accounting standards on its consolidated financial statements.

5 Acquisition of Gateway Gold Corp.

Victoria completed the acquisition of Gateway Gold Corp. ("Gateway"), by way of Plan of Arrangement (the "Arrangement"), which was approved by the Supreme Court of British Columbia on December 4, 2008, with an effective closing date of December 18, 2008. 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. All outstanding Gateway options and warrants became exercisable for common shares of Victoria in accordance with the same ratio.

In consideration for the acquisition of Gateway, the Company issued 19,071,084 common shares to shareholders of Gateway, representing approximately \$4.0 million in total value.

For accounting purposes, the measurement of the purchase consideration in the consolidated financial statement information is based on the closing market price of Victoria common shares on the effective closing date and \$0.21 per each Victoria share for the Gateway acquisition.

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Each Gateway warrant or stock option which gave the holder the right to acquire shares in the common stock of Gateway when presented for execution was exchanged for a warrant or stock option which will give the holder the right to acquire shares in the common stock of Victoria on the same basis as the exchange of Gateway's common shares for Victoria common shares. These warrants and options have been included in the purchase consideration at their fair value of approximately \$0.3 million based on the Black-Scholes pricing model.

The principal assumptions used in applying the Black-Scholes option-pricing model were as follows:

Risk-free interest rate	1.21%
Dividend yield	nil
Volatility factor – options	95%
Volatility factor - warrants	108%
Expected life - options	3.8 years
Expected life - warrants	1.4 years

The purchase price allocation is summarized as follows:

	Cash Flow Impact	Purchase Price Allocation
Common shares of Victoria issued on acquisition		\$ 4,004,928
Stock options to be exchanged for options of Victoria		276,000
Share purchase warrants to be exchanged for warrants of Victoria		62,312
Cash advance to Gateway under loan agreement	\$ (500,000)	521,507
Acquisition costs	(315,144)	315,144
		<hr/> \$ 5,179,891
Net assets acquired:		
Cash and cash equivalents	\$ 84,396	\$ 84,396
Accounts receivable		25,712
Investments		305
Prepaid expenses		19,260
Reclamation bonds		466,449
Property and equipment		376,974
Acquired mineral property interests		5,248,538
Accounts payable and accrued liabilities		(420,028)
Amounts due to related parties		(621,715)
	<hr/> \$ (730,748)	<hr/> \$ 5,179,891

The loan includes a cash advance of \$500,000 and accrued interest through to the effective date of \$21,507.

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6 Resource properties**RESOURCE PROPERTY EXPENDITURE TABLE**

Details of additions and impairments for the year ended February 28, 2009 and cumulative expenditures as at February 28, 2009 are as follows:

Properties, Nevada, USA	Cost as at	for the year ended February 28, 2009			Cost as at
Cdn \$	Feb. 29, '08	Exploration	Impairment	Net Additions	Feb. 28, '09
Mill Canyon	12,002,664	119,768		119,768	12,122,432
Hilltop Slaven	3,653,965	941,561	(4,595,525)	(3,653,965)	0
Black Canyon*	2,553,156	181,395	(2,734,551)	(2,553,156)	0
Relief Canyon	1,613,331	160,346		160,346	1,773,677
Cove-McCoy	5,755,813	4,970,281		4,970,281	10,726,094
Seven Troughs	348,510	176,133	(524,643)	(348,510)	0
Summit	601,703	394,326		394,326	996,028
Total Victoria	26,529,142	6,943,809	(7,854,719)	(910,911)	25,618,231
Properties Acquired from Gateway, Nevada, USA	Cost as at	for the period from December 18, 2008 through February 28, 2009			Cost as at
Cdn \$	Dec. 18, '08	Exploration	Impairment	Net Additions	Feb. 28, '09
Golden Dome	978,199	4,009		4,009	982,208
Big Springs	3,312,104	(7,486)		(7,486)	3,304,617
Island Mountain		788		788	788
Jack Creek		670		670	670
Dorsey Creek	4,199	1,411		1,411	5,610
Mac Ridge	529,782	1,451		1,451	531,232
Carlin East	168,706	105,326		105,326	274,031
Toiyabe	22,773	666		666	23,439
Santa Fe	232,776	19,380		19,380	252,156
Total Gateway	5,248,538	126,214		126,214	5,374,752
Total Victoria and Gateway		7,070,023	(7,854,719)	(784,697)	30,992,983

* Black Canyon includes the 4th of July property

At February 28, 2009 the carrying value of the mineral property assets at the Hilltop Slaven, Black Canyon (including the 4th of July property) and Seven Troughs properties were entirely written off

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leading to a total impairment expense of \$7.9 million. The decision to write down these assets was based on management's decision to cease exploration on these properties.

Cove-McCoy property

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 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 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 McCoy 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.

Mill Canyon, Hilltop-Slaven and Pinson-Preble properties

On January 21, 2003, the Company announced that it had signed letters of intent for the option to acquire a 100% interest in three gold exploration properties located in the Carlin Trend area of Nevada, U.S.A. from a subsidiary of Newmont. The three properties are as follows: Mill Canyon; Hilltop-Slaven; and Pinson-Preble.

Pursuant to an Assignment Letter Agreement dated December 17, 2002, as consideration for facilitating the acquisition of the rights and interests in the three properties, the Company agreed to issue 5 million common shares in aggregate, as a finder's fee, to two individuals (subsequently, one of whom became a related party of the Company). These shares have all been issued.

As consideration for the assistance of Haywood Securities Inc. ("Haywood") in facilitating the entering into the Assignment Letter Agreement, the Company agreed to issue to Haywood 500,000 common shares, which have all been issued.

Mill Canyon property

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 delivery of a positive feasibility study. 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.

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Hilltop-Slaven property

On June 15, 2003, the Company entered into a mining lease and sublease agreement (amended on August 10, 2004) with Newmont. The agreement allows the Company to earn a 100% interest in the Hilltop-Slaven property by completing the following annual work commitments: US\$200,000 (completed), US\$300,000 (completed), US\$500,000 (completed), US\$750,000 (completed), US\$750,000 (completed), US\$1,000,000 and US\$1,500,000, respectively, in each year of the first seven years of the agreement dated June 15, 2003. After the fifth year of the agreement, the Company must reduce its land position in the Hilltop-Slaven property so that it retains no more than 6,400 acres of the original property. This reduction to 6,400 acres has been completed. Through a Joint Venture Option, Newmont has a back-in right that it may exercise anytime prior to delivery of a positive feasibility study. 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. To earn such a joint venture, Newmont is required to solely fund all of the joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Hilltop-Slaven property from June 15, 2003 to the effective date of the joint venture agreement. If Newmont does not elect to exercise the Joint Venture Option, the Company will deliver to Newmont a 3.5% NSR.

The Company did not complete all of the June 15, 2009 work commitments, as per the terms of the agreement. The Company intends to move forward with the possible termination of the agreement with Newmont and as a result, as at February 28, 2009, the Company wrote-off the deferred acquisition and exploration expenditure of \$4,595,525 relating to the Hilltop-Slaven property.

Pinson-Preble property

On June 15, 2003, the Company entered into a mining lease agreement (amended August 10, 2004) with Newmont, the terms of which are identical to the terms of the Hilltop-Slaven agreement, with the exception that after the fifth year of the Pinson-Preble agreement, the Company is required to reduce its land position so that it retains no more than 50% of the original property position acquired under the agreement.

The Company did not meet the fourth year work commitment of US\$750,000, as per the terms of the agreement. On June 12, 2007, the Company terminated the agreement with Newmont and as a result, as at February 28, 2007, the Company wrote-off the deferred acquisition and exploration expenditure of \$2,636,238 relating to the Pinson-Preble property.

Black Canyon property

Effective September 23, 2005, the Company entered into a mining lease agreement with Sleeping Midas, LLC (the "Owners"), whereby the Company will lease and have a right to hold a 100% interest in the Black Canyon gold property located in west-central Nevada, U.S.A. Pursuant to the terms of the agreement, the Owners will lease and grant an option to hold 100% of their interest in the Black Canyon property to the Company and retain a 3.5% NSR. This NSR will require the Company to make advance royalty payments beginning with US\$50,000 upon execution of the agreement (paid); US\$50,000 on March 23, 2006 (paid); US\$100,000 on September 23, 2006 (paid), US\$100,000 on September 23, 2007 (paid), US\$125,000 on September 23, 2008 and 2009; and, US\$150,000 on September 23, 2010, and annually thereafter until production commences. The US\$125,000 advance royalty payment due on September 23, 2008 was not made. As per an amendment to the mining lease, in lieu of this payment the Company agreed to pay to the Owner's US\$25,000 (paid), a further US\$100,000 on March 31, 2009 and to issue 100,000 common shares to the Owner (issued). The Company also issued 50,000 common shares to the Owners on March 23, 2006 and an additional 50,000 common shares on September 23, 2006. Annual required work commitments will be a minimum of US\$100,000 annually, with excess amounts carried over to subsequent years (as at February 28, 2009, qualifying expenditures totalled approximately US\$2,000,000). The Company is required to pay all costs in order to keep the claims in good standing.

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The US\$100,000 payment due on March 31, 2009, was not made, as per the terms of the amendment. The Company is in negotiations with the Owners with respect to a possible amendment to the mining lease agreement. As at February 28, 2009, the Company wrote-off the deferred acquisition and exploration expenditure of \$2,734,551 relating to the Black Canyon property.

Relief Canyon property

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. 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.

Seven Troughs property

On June 15, 2006, the Company entered into a "Minerals Lease, Sublease and Agreement" with Newmont to lease the Seven Troughs project. The lease provides for work commitments of US\$2.6 million over a period of seven years of which US\$250,000 is a firm contractual obligation of the Company 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. 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. To earn such a joint venture, Newmont is required to spend, on the property, 250% of the exploration expenditures made by the Company. Should Newmont not back-in, the Company must make a US\$1 million payment and grant a sliding scale 3% to 5% NSR to Newmont, dependent on the price of gold. The royalty paid to Newmont would be less any underlying royalties, subject to a 1% minimum. Any annual minimum royalty payments from underlying agreements shall be paid by the Company.

The Company has decided not to perform any further exploration on the Seven Troughs property. The Company intends to move forward with the possible termination of the agreement with Newmont and as a result, as at February 28, 2009, the Company wrote-off the deferred acquisition and exploration expenditure of \$524,643 relating to the Seven Troughs property.

Summit property

On December 22, 2006, the Company signed an "Option and Purchase Agreement" with Taminco, Inc. ("Taminco"), a Colorado corporation, whereby the Company has an option to purchase the Summit property located in the Union Mining District, Nye County, Nevada. Upon signing the agreement, the Company paid an initial US\$25,000 to enter into the option portion of the agreement for a period of three months with up to three months of extensions for US\$5,000 each month. The purchase price is dependent on and may be adjusted by the then, current gold price, but will not be less than US\$500,000. (For example, at an average gold price of US\$635 per ounce, the lump-sum

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purchase price would be US\$635,000). At the Company's election, the payment can be made as a lump sum or split into yearly payments over a five-year period. The first payment is split into a minimum payment of US\$50,000 after thirty days of the decision to purchase the property and a second minimum payment of US\$50,000 at the first anniversary of the exercise date. Thereafter, all yearly purchase payments in the remaining four years will be a minimum of US\$100,000. All instalment payments will be subject to the then prevailing gold price and may be adjusted upward (but not downward) accordingly at the time they are paid. (For example, if the average gold price is US\$670 per ounce when one of the minimum payments of US\$100,000 is to be made, the payment would be US\$134,000). The property will be subject to a 3.5% NSR with Advanced Royalty payments paid as a function of the then current gold prices on a monthly basis, starting with and escalating by 12 ounces of gold per year until production.

On March 22, 2007, the Company exercised its option to purchase the Summit Property and paid the first instalment of US\$66,012 (based on the then monthly average gold price) within thirty days of exercising its option. On March 22, 2008 the second instalment of US\$96,295 (based on the then monthly average gold price) of the first payment was made. The Company did not make the purchase payment due on March 22, 2009. As per an amendment to the Option and Purchase Agreement, Taminco agreed to delay this and all subsequent purchase payments by one year and the Company agreed to issue Taminco 30,000 common shares (issued). The Company can terminate this agreement by giving ninety days notice to Taminco. Upon termination, all rights, title and interest of the Company under this agreement will be relinquished and the Company will not be required to make any further payments.

Big Springs, Golden Dome and Island Mountain

By an agreement dated December 23, 2002, the Company purchased a 100% interest in the Big Springs, Golden Dome 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 properties are subject to net smelter return royalties of 2% - 3%. Beginning on the seventh anniversary of the agreement, December 23, 2009, the Company must pay annual advance royalty payments of \$100,000

During 2007, the Company granted an arm's length party the option to earn a 51% interest in the Island Mountain property by paying US\$100,000 (US\$10,000 received), issuing 1,000,000 shares, and incurring US\$2,500,000 in exploration expenditures over four years. Upon earning a 51% interest, the optionee can earn an additional 14% 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 seven years from the effective date of the agreement.

The Company has signed an agreement with a former operator of the Big Springs project to acquire technical information on the property. The Company issued 30,000 shares to the former operator and has agreed to issue an additional 60,000 shares upon commencement of commercial production at Big Springs.

Mac Ridge, Jack Creek, Dorsey Creek, Toiyabe, Santa Fe

The Company has additional claims comprising the Jack Creek, Dorsey Creek, Mac Ridge, Toiyabe, and Santa Fe properties. The Mac Ridge claims and several of the Dorsey Creek claims lie within the area of interest covered by the 23 December 2002 Big Springs agreement. The Company has granted an arm's length party the option to earn up to a 70% interest in the Jack Creek property by incurring US\$1,000,000 in exploration expenditures before 1 March 2011. The Company has the right to earn a 60% interest in the Santa Fe property by spending US\$5,000,000 over five years (US\$300,000 of which must, and has been, incurred by 31 December 2008) and an additional 10% by spending an additional US\$1,500,000 in the sixth year.

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Carlin East

The Company has signed an agreement and two subsequent amendments to acquire a 100% interest in mineral claims comprising the Carlin East property. At its option, the Company may earn its interest by completing the following:

	Cash Payment (US\$)	Share Issuances	Exploration Expenditures (US\$)
Upon signing of the agreement (paid)	\$ 25,000	-	\$ -
Upon regulatory approval (issued)	-	15,000	-
On or before 30 November 2007 (complete)	50,000	20,000	-
On or before 30 November 2008 (complete)	75,000	50,000	-
On or before 30 November 2009	100,000	50,000	-
On or before 30 November 2010	100,000	100,000	1,300,000
On or before 30 November 2011	100,000	100,000	500,000
	<u>\$ 450,000</u>	<u>370,000</u>	<u>\$ 1,800,000</u>

The property is subject to a net smelter return royalty of 2% or 3%, depending on the price of gold. Beginning on the seventh anniversary of the agreement, the Company must pay annual advance royalty payments of \$150,000. Subject to certain conditions, should the Company confirm a resource of at least 500,000 ounces of gold on the property, it will be required to issue an additional 315,000 shares to the optionor.

7 Property and Equipment

Details are as follows:

	Cost on closing date of Dec. 18, 2008	Accumulated Amortization and Loss on Disposal of Assets	Feb. 28, 2009 Net Cost
Furniture and fixtures	\$ 32,207	\$ 31,854	\$ 353
Computer equipment	17,449	14,182	3,267
Field equipment	6,588	275	6,313
Automotive equipment	12,397	794	11,603
Leasehold improvements	479	479	-
Land	307,855	-	307,855
	<u>\$ 376,975</u>	<u>\$ 47,584</u>	<u>\$ 329,391</u>

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8 Asset Retirement Obligations

	Year Ended February 2009	Year Ended February 2008
Balance, beginning of the year	\$ 212,669	\$ 315,076
Obligations incurred during the year	-	-
Accretion expense	12,060	5,508
Adjustment of estimated cash flows to carrying value of assets	(5,521)	(107,915)
Balance, end of year	219,208	212,669
Less: current portion	-	-
Long-term portion	219,208	212,669

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Mill Canyon, Black Canyon, Relief Canyon and Cove-McCoy properties. The total undiscounted amount of the estimated future cash flows required to settle the asset retirement obligation is estimated to be \$345,108. These expenditures are expected to be incurred over the period through 2012. In determining the carrying value of the asset retirement obligations, the Company has assumed a credit-adjusted, risk-free discount rate of 5.0% and a long-term inflation rate of 2.0%.

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9 Share capital

Capital Stock	Year ended February 28, 2009		Year ended February 29, 2008	
	Shares	Amount	Shares	Amount
Balance, beginning of year	91,635,152	\$ 39,604,591	67,434,934	\$ 27,789,315
Issued during the year				
For cash:				
- Warrants exercised	1,560,000	1,325,505	747,326	729,826
- Agent options exercised	-	-	425,709	319,282
- Stock options exercised	375,000	334,750	193,850	103,449
- Private placements	21,294,000	4,258,800	22,833,333	15,650,010
For property:				
- Black Canyon	100,000	28,000	-	-
- Carlin East	50,000	14,000	-	-
- Summit	30,000	8,400	-	-
For debt:				
- Anthem Capital	83,833	20,120	-	-
For acquisition:				
- Gateway Gold Corp.	19,071,084	4,004,928	-	-
Fair values assigned to warrants issued under private placements	-	(1,044,395)	-	(4,288,511)
Fair values allocated to common shares upon exercise:				
Stock options	-	209,300	-	72,185
Purchase warrants	-	603,189	-	118,676
Agent options	-	-	-	92,052
Share issuance costs	-	(286,812)	-	(981,693)
Balance, end of year	134,199,069	\$ 49,080,376	91,635,152	\$ 39,604,591

During the twelve months ended February 28, 2009, 1,560,000 share purchase warrants (1,555,000 at \$0.85 and 5,000 at \$0.75), and 375,000 stock options (25,000 at \$0.65 and 350,000 at \$0.91) were exercised for total proceeds of \$1,660,255.

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 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

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common share for each Gateway common share held totalling 19,071,084 common shares to shareholders of Gateway.

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 expires on April 19, 2008. Victoria is using the proceeds from this Offering for exploration of its Nevada properties and for general corporate purposes. Share issuance costs attributable to the common stock issuance associated with the financing amounted to \$286,812.

On November 7, 2007, the Company closed a brokered private placement of 19,500,000 Units (the "Units") priced at \$0.70 per Unit, for gross proceeds of \$13.65 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 \$0.85 for an eighteen month period until May 7, 2009. EastWest Gold Corporation ("EastWest Gold") purchased 4,285,700 Units of the Offering and maintained their 27% interest in the Company. Chad Williams, President, CEO and Director of the Company, purchased 793,300 Units of the Offering. Blackmont Capital Inc. and CIBC World Markets Inc. acted as co-lead agents in connection with the Offering, together with Orion Securities Inc. (collectively the "Agents"). As compensation for services rendered in connection with the Offering, the Agents were paid an aggregate cash commission of \$810,264 and were issued broker warrants to purchase an aggregate of 1,007,520 common shares of the Company at a price of \$0.74 per common share until November 7, 2008. For accounting purposes, the Company has determined a value of \$4,146,797 (\$3,772,343 for the purchase warrants and \$374,454 for the Agents' warrants) for the warrants. The fair value of the purchase warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 3.98%, an expected life of eighteen months, an expected volatility of 91%, and a dividend yield rate of nil. The fair value of the broker warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 3.98%, an expected life of one year, an expected volatility of 94%, 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 March 8, 2008.

On July 31, 2007, the Company closed a non-brokered private placement of 3,333,333 Units (the "Units") priced at \$0.60 per Unit, for gross proceeds of \$2 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 \$0.75 for a two-year period until July 31, 2009. The Company paid a cash finder's fee in the amount of \$5,880. EastWest

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Gold, purchased 850,000 Units. Chad Williams, President, CEO and Director of the Company, purchased 792,333 Units of the Offering. For accounting purposes, the Company has allocated \$516,168 of the proceeds received from the sale of the Units to the share purchase warrants issued based on their estimated fair value. The fair value of the warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 3.40%, an expected life of two years, an expected volatility of 83%, 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 December 1, 2007.

10 Stock options and warrants

Stock options

The Company has adopted a stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. One-eighth of options granted under the plan will vest immediately; a further one-eighth will vest after each three month period thereafter, with the final one-quarter vesting eighteen months from the date of grant. At February 28, 2009, 1,653,007 additional stock options were available for grant under the Company's stock option plan.

On December 17, 2008, the Company granted 3,105,000 incentive stock options with an exercise price of \$0.21 per option to directors, officers and employees of the Company. The stock options have a term of five years and expire on December 17, 2013. The fair value of these options totalling \$394,560 (\$283,372 will be expensed and \$111,189 will be capitalized to properties) will be recognized over the vesting periods, of which \$135,356 (\$97,212 has been expensed and \$38,144 has been capitalized to properties) has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 2.1%, an expected life of 4.5 years, an expected volatility of 92% and a dividend yield rate of nil. This results in an estimated value of \$0.13 per option at the grant date using the Black-Scholes option-pricing model.

On November 4, 2008, the Company granted 50,000 incentive stock options with an exercise price of \$0.21 per option to an employee of the Company. The stock options have a term of five years and expire on November 4, 2013. The fair value of these options totalling \$6,440 will be recognized over the vesting periods, of which \$3,345 has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 2.1%, an expected life of 3 years, an expected volatility of 99% and a dividend yield rate of nil. This results in an estimated value of \$0.13 per option at the grant date using the Black-Scholes option-pricing model.

On January 22, 2008, the Company granted 150,000 incentive stock options with an exercise price of \$1.00 per option to an employee of the Company. The stock options have a term of five years and expire on January 22, 2013. The fair value of these options totalling \$83,736 will be recognized over the vesting periods, of which \$76,525 has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 3.2%, an expected life of 3 years, an expected volatility of 86% and a dividend yield rate of nil. This results in an estimated value of \$0.56 per option at the grant date using the Black-Scholes option-pricing model.

On October 25, 2007, the Company granted 900,000 incentive stock options with an exercise price of \$0.70 per option to officers and a consultant of the Company. 100,000 of these options have been forfeited. The closing price of the Company's stock on October 24, 2007 was \$0.80 per share therefore the exercise price was set at a discount to market price. The stock options have a term of five years and expire on October 23, 2012. The fair value of these options, adjusted for forfeitures, totalling \$532,690 (\$199,759 will be expensed and \$332,931 will be capitalized to properties) will be recognized over the vesting periods, of which \$517,893 (\$194,210 has been expensed and \$323,683 has been capitalized to properties) has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 4.2%, an expected life of 5

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years, an expected volatility of 115% and a dividend yield rate of nil. This results in an estimated value of \$0.67 per option at the grant date using the Black-Scholes option-pricing model.

On September 17, 2007, the Company granted 690,000 incentive stock options with an exercise price of \$0.65 per option to employees of the Company. 170,625 of these options have been forfeited. The stock options have a term of five years and expire on September 17, 2012. The fair value of these options, adjusted for forfeitures, totalling \$174,400 will be recognized over the vesting periods and will be capitalized to resource properties, of which \$171,978 has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 4.3%, an expected life of 3 years, an expected volatility of 81% and a dividend yield rate of nil. This results in an estimated value of \$0.34 per option at the grant date using the Black-Scholes option-pricing model.

On August 20, 2007, the Company granted 1.9 million incentive stock options with an exercise price of \$0.60 per option to directors and an officer of the Company. The stock options have a term of five years and expire on August 20, 2012. The fair value of these options totalling \$915,175 has been recognized as at February 28, 2009. The fair value of these options was calculated based on a risk-free annual interest rate of 4.3%, an expected life of 5 years, an expected volatility of 115% and a dividend yield rate of nil. This results in an estimated value of \$0.48 per option at the grant date using the Black-Scholes option-pricing model.

Option pricing models require the input of highly subjective assumptions. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options at the grant date.

The following table summarizes information regarding changes in the Company's stock options outstanding:

	Number of outstanding options	Weighted- average exercise price	Fair value assigned (Cdn\$)
Stock options outstanding at Feb. 28, 2007	2,240,000	\$0.76	1,092,260
Granted	3,640,000	\$0.65	1,830,740
Exercised	(193,850)	\$0.53	(72,185)
Expired	-	-	-
Forfeited	(75,000)	\$0.65	(25,200)
Stock options outstanding at Feb. 29, 2008	5,611,150	\$0.70	2,825,615
Granted – to Victoria employees	3,155,000	\$0.21	401,000
Granted – to replace Gateway options	2,760,000	\$0.54	276,000
Exercised	(375,000)	\$0.89	(209,300)
Expired	(1,418,025)	\$0.75	(703,525)
Forfeited	(195,625)	\$0.68	(98,730)
Stock options outstanding at Feb. 28, 2009	9,537,500	\$0.48	2,491,060

Stock options outstanding and exercisable as at February 28, 2009 are as follows:

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	Exercise price	Number of outstanding stock options	Expiry Date	Number of exercisable stock options
Gateway related	\$0.60	62,500	April 30, 2009	62,500
Gateway related	\$0.60	22,500	June 30, 2009	22,500
Gateway related	\$0.60	337,500	July 15, 2009	337,500
Gateway related	\$0.60	37,500	November 9, 2009	37,500
Gateway related	\$0.60	25,000	August 11, 2010	25,000
Gateway related	\$0.60	25,000	October 1, 2010	25,000
Gateway related	\$0.60	325,000	February 28, 2011	325,000
	\$0.74	400,000	April 20, 2011	400,000
Gateway related	\$0.60	45,000	May 30, 2011	45,000
Gateway related	\$0.60	675,000	April 27, 2012	675,000
Gateway related	\$1.38	50,000	June 26, 2012	50,000
Gateway related	\$0.60	215,000	July 25, 2012	215,000
	\$0.60	1,900,000	August 20, 2012	1,900,000
	\$0.65	472,500	September 17, 2012	382,500
	\$0.70	700,000	October 23, 2012	525,000
	\$1.00	150,000	January 22, 2013	93,750
Gateway related	\$0.40	642,500	July 30, 2013	642,500
Gateway related	\$0.34	297,500	September 29, 2013	297,500
	\$0.21	50,000	November 4, 2013	12,500
	\$0.21	3,105,000	December 18, 2013	388,125
		9,537,500		6,461,875

Warrants

The following table summarizes information regarding changes in the Company's warrants outstanding:

	Number of outstanding warrants	Weighted-average exercise price	Fair value assigned (Cdn \$)
Warrants outstanding at February 28, 2007	5,285,876	\$1.00	756,970
Issued	11,416,666	\$0.84	4,288,511
Exercised	(747,326)	\$0.96	(118,676)
Expired	(4,608,550)	\$1.00	(659,973)
Warrants outstanding at February 29, 2008	11,346,666	\$0.84	4,266,832
Issued	10,647,000	\$0.25	1,044,395
Issued – to replace Gateway warrants	1,519,800	\$0.70	62,312
Exercised	(1,560,000)	\$0.85	(603,190)
Expired	-	-	-
Warrants outstanding at February 28, 2009	21,953,466	\$0.54	4,770,349

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In addition to the options and warrants outlined above, On December 18, 2008, the Company issued Agents' options to purchase up to an aggregate of 615,580 shares of the Company, at a price of \$0.20 per share. These Agent's options were still outstanding as at February 28, 2009.

Changes in the value assigned to stock options, share purchase warrants and Agent options, as presented on the Consolidated Balance Sheets, are provided in the table below:

Value assigned to stock/ agent options and share purchase warrants	Year Ended February 2009	Year Ended February 2008
Balance, beginning of the year	\$ 7,355,741	\$ 2,090,075
In connection with the July 31, 2007 private placements:		
Fair value of share purchase warrants	-	516,168
In connection with the November 7, 2007 private placement:		
Fair value of share purchase warrants	-	3,772,343
Fair value of Agent options	-	374,454
Issuance costs	-	(374,476)
In connection with the December 18, 2008 private placement:		
Fair value of share purchase warrants	1,044,395	-
Fair value of Agent options	62,822	-
Issuance costs	(93,188)	-
Stock-based compensation, expensed	521,849	880,155
Stock-based compensation, capitalized to resource properties	198,800	379,935
Fair values allocated to common shares upon exercise:		
Stock options	(209,300)	(72,185)
Purchase warrants	(603,189)	(118,676)
Agent options	-	(92,052)
Fair value assigned to Gateway options	276,000	-
Fair value assigned to Gateway warrants	62,312	-
Balance, end of the year	\$ 8,616,242	\$ 7,355,741

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11 Supplementary cash flow information

Supplementary disclosure of cash flow information for the years ended February 28, 2009 and February 29, 2008 is provided in the tables below:

	February 28, 2009	February 29, 2008
Non-cash investing and financing activities		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 154,317	\$ 630,416
Fair value assigned to Agent options and warrants (Note 10)	\$ 62,822	\$ 374,454
Stock-based compensation, capitalized to resource properties (Note 10)	\$ 198,800	\$ 379,935
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ 107,923

12 Related party transactions

During February 2009, the company paid Michael McInnis, 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, Raul Madrid, an officer of the Company, exercised options to purchase 200,000 common shares of the Company at 0.91 per share. The total funds for this purchase, of \$182,000, were received from Mr. Madrid on June 13, 2008 and were included in accounts receivable during the intervening period.

During the year ended February 29, 2008, EastWest Gold provided administrative services while B2Gold Corporation ("B2Gold"), a company which had common directors with Victoria, provided management services to the Company.

For the years ended February 28, 2009 and February 29, 2008, the Company had the following transactions (recorded at exchange value) with EastWest Gold:

	February 28, 2009	February 29, 2008
Consolidated Statements of Loss		
Interest expense on notes payable	\$ -	\$ 94,851
Accounting	-	67,600
	\$ -	\$ 162,451

Notes payable represent advances from EastWest Gold during fiscal 2006 and 2007, bearing interest at the US prime lending rate plus 2%. There is no interest expense for the year ended February 28, 2009, as the note payable, including accrued interest, was repaid in full on November 28, 2007 in the amount of \$1,280,303.

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For the years ended February 28, 2009 and February 29, 2008, the Company had the following transactions (recorded at exchange value) with B2Gold:

	February 28, 2009	February 29, 2008
Consolidated Statements of Loss		
Office and administration	\$ -	\$ 15,200
Accounting	-	8,800
Rent and utilities	-	9,600
Management fees	-	6,000
	\$ -	\$ 39,600

13 Income taxes

The provision for income taxes included in the consolidated statement of loss differs from the statutory income rate as follows:

	Year Ended February 28, 2009	Year Ended February 29, 2008
Net Loss before taxes	\$10,099,793	\$ 1,514,582
Income tax provision (recovery) at average statutory rates	\$ (3,330,221)	\$ (517,124)
Permanent differences	172,101	300,309
Adjustment for future taxes	(435,391)	164,042
Other	(195,835)	(13,592)
Change in valuation allowance	3,789,346	66,365
Provision for (recovery of) income taxes	\$ -	\$ -

The Company's future income tax assets and liabilities are summarized as follows:

	February 28, 2009	February 29, 2008
Non-capital losses	\$10,760,657	\$ 1,003,359
Resource properties	6,171,983	836,754
Share issue costs	374,275	291,506
Fixed assets	(3,785)	-
	\$17,303,130	\$ 2,131,619
Valuation allowance	\$(17,303,130)	\$(2,131,619)
Future income tax	\$ -	\$ -

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The Company has gross Canadian non-capital tax losses of \$9,793,195 which expire beginning 2010 until 2029. The Company has gross US non-capital tax losses of US\$20,043,147 which expire beginning 2013 until 2029.

14 Commitments

Operating Leases

At February 28, 2009, Victoria has future minimum annual operating lease commitments for office premises in; (1) Vancouver, BC, (2) Toronto, Ontario, (3) Reno, Nevada, (4) Elko County, Nevada and (5) Salt Lake City, Utah, as follows:

		CAN\$	US\$
to February 29, 2010	\$	116,622	112,050
to February 29, 2011		106,571	25,000
to February 29, 2012		111,096	-
to February 29, 2013		115,815	-
to February 29, 2014 and thereafter		9,920	-
Total	\$	460,024	137,050

15 Financial Instruments

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:

a) 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 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 and a deposit with American Express. 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. An interest bearing certificate of deposit is held by American Express Bank. 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.

b) 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 February 28, 2009 through May 31, 2009.

c) Market risk

a. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will

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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.

b. Foreign currency risk

The Company incurs exploration expenditures in the United States and holds its restricted cash and 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.

c. Price risk

The Company's 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, 2009.

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Canadian denominated	608,399	6,084	(6,084)	-	-
Cash - US denominated	1,390,590	13,906	(13,906)	139,059	(139,059)
Treasury funds - Canadian denominated	2,732,806	27,328	(27,328)	-	-
Total cash and cash equivalents	4,731,795	47,318	(47,318)	139,059	(139,059)
Reclamation bonds - US denominated (non-interest bearing)	510,060	5,101	(5,101)	51,006	(51,006)
Reclamation bonds - US denominated (interest bearing)	491,795	-	-	49,180	(49,180)
American Express deposit - US denominated	50,968	510	(510)	5,097	(5,097)
Total amount or impact - cash and deposits	5,784,618	52,928	(52,928)	244,341	(244,341)

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.

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- 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%.

16 Segmented information

The Company's principal activity is the exploration and development of mineral properties. The Company's resource properties are located in the United States as disclosed in *Note 6*.

The Company held US\$1,094,754 in US denominated cash at February 29, 2008 (US\$476,668 at February 29, 2008) and US\$828,538 in US denominated reclamation bonds at February 28, 2009 (US\$408,242 at February 29, 2008).

17 Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As February 28, 2009, the Company had no bank debt.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended February 28, 2009.

18 Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the presentation adopted for the current period. The reclassifications are within the Consolidated Statements of Loss and Comprehensive Loss and Deficit where accounting, consulting, audit and tax consulting, rent and utilities, transfer agent and listing and filing fees have all been rolled up into office and administrative within the current period. Shareholder information has been included in marketing.

19 Subsequent Events

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 ("Strata"). 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 Strata shareholders approved the transaction on May 26, 2009 and the transaction was closed on June 4, 2009.

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 entitles the holder to acquire one additional common share at a price of \$0.55 until March 13, 2012. Each Subscription Receipt "Subscription Receipt" has 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 entitles the holder to acquire one additional

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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 1,108,240 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 are subject to a four month hold period which expires on July 13, 2009.