



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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three months May 31, 2009

DATED: July 28, 2009

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VICTORIA GOLD CORP.
(an exploration company)

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") has been prepared as at July 28, 2009, 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 of the operating results and financial position of the Company should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto of the Company for the three months ended May 31, 2009, and the audited consolidated financial statements of the Company and the notes thereto for the year ended 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.

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 stage company with interests in gold projects located in Nevada, USA; Yukon Territory, Canada; and Guyana. The Company's strategy is to add value per share through efficient exploration, project development, accretive acquisitions and effective marketing. Victoria's management team endeavors 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 ("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 Supreme Court of British Columbia approved the transaction on May 29, 2009 and Strata 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.

EXPLORATION ACTIVITIES

During the quarter ended May 31, 2009, the Company incurred resource property expenditures (on a cash basis) totalling \$1,243,089 (quarter ended May 31, 2008, \$1,355,803) relating to its Nevada properties.

PROPERTY SUMMARIES

PROPERTY	RECENT ACTIVITIES (March 1, 2009 – July 28, 2009)	OUTLOOK (three to six months forward)
Cove McCoy	Helen Zone core drilling continued with holes NW-14 and NW-15. Assays have been released for all holes. Preliminary assessment of the Cove open pit ground conditions to allow possible future underground access is ongoing.	The first phase of core drilling at the Helen Zone has been completed. Further analyses of the structural geometries from these holes are being conducted prior to further underground exploration core drilling. Permitting and engineering of an adit to allow for underground drilling is ongoing.
Mill Canyon	Site preparation for possible drilling. Evaluation of prior core drilling campaigns.	Continued mapping for assessment of drill targets. Focus will be on the RJR, HOC and Range Front Skarn zones.
Hilltop-Slaven	Property has been returned to its underlying owner.	Reclamation activities.
Black Canyon	Property has been returned to its underlying owner.	Reclamation activities.
Fourth of July	Property has been returned to its underlying owner.	NIL
Relief Canyon	Minimal.	Site work is on hold.
Seven Troughs	Property has been returned to its underlying owner.	NIL
Summit	Permit to drill has been received. Renegotiated property contract.	Mapping for assessment of drill targets. Drilling will be contemplated if resources are available.
Big Springs	Permitting and environmental monitoring.	Permitting and environmental monitoring. Structural mapping to confirm drill targets and possible drilling.
Santa Fe	Structural mapping and assessment of targets.	Drilling is anticipated to begin during the summer.
Golden Dome, Mac Ridge, Dorsey Creek, Carlin East, Toiyabe	Site work is on hold.	Site work is on hold.
Island Mountain, Jack Creek	Properties have been optioned to joint venture partners. Minimal work completed.	Discuss work programs with joint venture partners.

PROPERTY	RECENT ACTIVITIES (March 1, 2009 – July 28, 2009)	OUTLOOK (three to six months forward)
Dublin Gulch	Opened camp and began environmental baseline studies. Entered into agreement with Scott Wilson for engineering work. Entered into agreement with Stantec for environmental work. Hired Mr. Mike Padula as Project Manager.	Engineering, permitting, geotechnical drilling and environmental work will take place. Pre-feasibility study is expected to be completed by end 2009.
Tassawini	Amendment to the Tassawini Agreement was signed with the Vendor.	Work plan is under review pending further assessment.
BRL	Exploration program managed by Newmont was conducted at Monosse property.	Newmont will continue to manage the exploration program.
Kaituma	Work on hold pending results of legal appeal.	Work on hold pending results of appeal.
Other	Minimal work completed.	Work on hold.

RECENT ACTIVITIES

VICTORIA PROPERTIES

Cove-McCoy Property

During the quarter ended May 31, 2009, and through the date of this document, July 28, 2009, the Company continued work on the Helen Zone. Holes NW-14 and NW-15 were completed with hole NW-15 finishing on May 18, 2009.

Since the year-ended February 28, 2009, the Company has 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

SUMMARY OF SELECTED RESULTS FROM HELEN ZONE DRILLING		
DRILL HOLE	INTERVAL (m)	GOLD GRADE (g/t)
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 stopped early	
NW-13a	29.6	16.75
And	35.6	11.85
NW-14	3.1	14.06
And	10.4	13.74
NW-15	274.3	2.50
Includes	12.7	9.18

Mill Canyon

Prioritization for mapping and exploration at the Mill Canyon property took place from spring through winter of 2008. Through July 2009, work has focussed on re-evaluation of targets.

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 about 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.

Summit Property

Surface mapping and sampling work at the Summit property continues to expand a large zone of outcrops of hydrothermal dolomite, which appears to be the main host to gold bearing zones drilled by previous companies. This historical drilling occurs as a small area (~200 m X 100 m) within the 700 m by 600 m zone currently being expanded by Victoria geologists.

Hilltop Property

The Company has returned the property to the underlying owner.

Relief Canyon

Minimal work has been done on the property recently.

Seven Troughs

The Company has returned the property to the underlying owner.

Black Canyon and Fourth of July

The Company has returned the property to the underlying owner.

PROPERTIES ACQUIRED IN THE GATEWAY TRANSACTION

Big Springs

Ongoing environmental monitoring was undertaken. The permitting program continued.

Santa Fe

In September 2008, Gateway completed a 2,000 metre reverse circulation (“RC”) drilling program at Santa Fe which included eight holes with encouraging results. One hole showed an interval of 41 m grading 3.71 g/t gold and 73.4 g/t silver, 142 metres grading 2.06 g/t gold and 49.9 g/t silver, and 136 m grading 2.17 g/t gold and 36.7 g/t silver. The drilling program demonstrated the continuation of gold and silver mineralization below the bottom of the historic drill holes.

During the quarter ended May 31, 2009, and through the date of this document, July 28, 2009, Victoria performed structural mapping to identify and assess drilling targets. Preparation for drilling is underway and drilling is expected to commence this summer.

Carlin East, Golden Dome, Mac Ridge, Dorsey Creek and Toiyabe

No work has been done recently on these properties.

Island Mountain and Jack Creek

These properties have been optioned to third parties and limited work has been undertaken.

PROPERTIES ACQUIRED IN THE STRATA TRANSACTION

Tassawini, Guyana

Tassawini is on care and maintenance while the Company continues to assess the property.

BRL Venture, Guyana

Monossee, Guyana

On July 20, 2009, the Company released exploration results from the Phase I 2009 work program at the Monnossee project. Two distinct new promising gold exploration projects have been identified and contain anomalous surface gold values, road accessibility, and are located near existing BRL Venture infrastructure.

Project A covers an area of approximately 16 square kilometers (km²). Gold mineralization appears within anticlines and thrust faults. A series of north-south trending gold-bearing quartz veins run through the centre of Project A. The area shows evidence of former artisanal mining including relatively deep shafts and adits. Anomalous gold grades (greater than 1 g/t) in soils have been tested over an area of 2,000 metres (m) by 1,400 m. The highest soil sample grade was 13.0 g/t gold and the highest quartz vein sample returned 33.8 g/t gold. Further exploration is required to confirm the structural makeup of this target.

Project B is characterized by a large structural break/shear zone that cuts through the target. Gold mineralization at this target appears to be widespread and also occurs in other sub-parallel structural zones. The highest soil grade returned 22.1 g/t gold. There is evidence of historic artisanal gold mining at this target as well.

As at June 30, 2009, through its wholly owned subsidiaries, Victoria holds an approximate 33% interest in the BRL Venture.

White Creek, Guyana (BRL Venture)

No recent work has been done on this property.

Kaituma, Guyana

No recent work has been done on this property.

Dublin Gulch, Yukon Territory

Dublin Gulch comprises the Eagle Gold Project (previously referred to as the Eagle Zone Deposit) and the Wolf Tungsten Project (previously referred to as the Mar-Tungsten Deposit).

During the quarter ended May 31, 2009, and through the date of this document, July 28, 2009, the Company opened camp and began environmental baseline studies. The Company has commissioned a Pre-feasibility Study and 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.

No recent work has taken place on the Wolf Tungsten Project.

Canalask, Clear Creek, Hyland, Lynx and Aurex, Yukon Territory

No recent work has taken place on these properties.

Eureka, Top and Track, Yukon Territory

The Company holds a 1% NSR royalty on these properties.

OUTLOOK

VICTORIA PROPERTIES

Cove-McCoy Property

Phase 1 drilling on the Helen zone has been completed with hole NW-15. This drilling will be further analyzed to improve the understanding of the potential size, grade and geometry of this system. Victoria's new Executive Vice President, John McConnell, will oversee engineering designs and permitting of a decline into the Helen Zone to allow for underground work with the objective of assessing the economics of mining this area. The Company may also conduct exploration drilling on some of the other targets on the property in 2009.

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.

Mill Canyon Property

Victoria plans to identify additional targets for drilling on the HOC, RJR and Range Front Skarn zones.

Summit Property

The Company has received the necessary permits for drilling and hopes to commence work on this property in 2009.

Relief Canyon Property

Further structural mapping and drilling is required at Relief Canyon; timing will be dependent on availability of the Company's resources.

PROPERTIES ACQUIRED IN THE GATEWAY TRANSACTION

Big Springs

The Company will carry out surface mapping on the property in the late summer to identify high potential drill targets. Drilling will be conducted subject to the receipt of the necessary permits but this is not expected to occur during 2009. Additional work will include a preliminary economic assessment to determine the viability of mining the resource and processing the ore at the nearby mills, again subject to permitting.

Santa Fe

Victoria intends to start drilling on Santa Fe this summer.

Golden Dome, Mac Ridge, Dorsey Creek, Carlin East and Toiyabe

The Company continues to assess these properties.

Island Mountain and Jack Creek

These properties have been optioned to third parties and limited work is expected to be completed in the short term.

PROPERTIES ACQUIRED IN THE STRATA TRANSACTION

Eagle Gold Project, Yukon Territory

The Company has engaged Scott Wilson Roscoe Postle Associates of Toronto to prepare an NI 43-101 Pre-Feasibility study on the Eagle Gold Project targeted for completion by December 2009. Camp has been opened and selective geotechnical drilling will commence this summer to collect information for the pre-feasibility study and for the permitting process. Stantec has been engaged to complete baseline and socio-economic studies and to prepare a project proposal for submission to a Yukon government regulatory agency.

Tassawini, Guyana

The Company continues to formulate a strategy as to how to best move forward on this property.

Monosse & White Creek, Guyana (BRL Venture)

Newmont will manage an exploration program on behalf of the BRL Venture.

Kaituma, Guyana

Work is on hold pending the outcome of legal proceedings.

Other Properties

The Company is evaluating the potential of the Clear Creek, Hyland and Canalask properties in the Yukon and the Donjek and Eureka properties in Ontario.

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 quarters ended May 31, 2009.

Selected Quarterly Information ended May 31:

	<u>2009</u>		<u>2008</u>		<u>2007</u>
Total revenues	\$ -	\$	-	\$	-
Net loss	\$ 908,800	\$	423,645	\$	19,489
Net loss per share – basic and diluted	\$ 0.006	\$	0.005	\$	0.000
Total assets	\$ 43,192,982	\$	37,750,359	\$	24,067,979
Total long-term liabilities	\$ 222,278	\$	212,669	\$	220,323

RESULTS OF OPERATIONS

Quarters ended May 31, 2009 and 2008

The Company reported a loss of \$908,800 (\$0.006 per share) for the quarter ended May 31, 2009, compared to a loss of \$423,645 (\$0.005 per share) in the equivalent period during the previous year. The increase in the current year's loss resulted from higher salaries, office and administrative expenses, marketing, legal, property impairment and losses on foreign exchange. Salaries are \$59,412 higher year over year due to salaries and severance payments made to Gateway employees. Increased office and administration expenses of \$92,143 are primarily the result of the inclusion of the Gateway office. Legal costs for the year ended May 31, 2009, were \$16,298 higher than the previous year due to increased corporate activity. Management has placed an increased emphasis on marketing, leading to a year over year cost increase of \$30,121. The current quarter's property write-off is \$31,385 compared to nil during the previous year. Losses on foreign exchange during the quarter ended May 31, 2009 were \$270,284 compared to a gain of \$41,651 in the previous year's comparable period due to fluctuations in the Canadian and US exchange rate. Interest income was \$20,674 lower during the current year period due to lower average cash balances. The cost increases were offset by lower stock-based compensation. During the year ended May 31, 2009, the Company reported stock-based compensation expense of \$96,041 versus \$175,138 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 during the year ended February 28, 2009 than the year ended February 29, 2008.

Total assets increased by \$6.0 million from \$37.2 million to \$43.2 million during the period from March 1, 2009 to May 31, 2009. Current assets increased by \$4.3 million (see "Liquidity and Capital Resources" herein) while resource properties increased by \$1.5 million due to continued exploration expenditures. Deferred transaction costs increased by \$0.2 million due to the Strata transaction. Total liabilities increased by \$0.2 million due to the timing of payments associated with regular operating activities.

Summary of Unaudited Quarterly Results:

	<u>31 May 09</u>	<u>28 Feb 09</u>	<u>30 Nov 08</u>	<u>31 Aug 08</u>
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss	\$ 908,800	\$ 8,327,679	\$ 802,857	\$ 545,621
Loss per share – basic and diluted	\$ 0.006	\$ 0.066	\$ 0.009	\$ 0.006

	<u>31 May 08</u>	<u>28 Feb 08</u>	<u>30 Nov 07</u>	<u>31 Aug 07</u>
Total Revenues	\$ -	\$ -	\$ -	\$ -
Loss	\$ 423,635	\$ 453,156	\$ 697,047	\$ 344,890
Loss per share – basic and Diluted	\$ 0.005	\$ 0.005	\$ 0.010	\$ 0.005

The Company reported property impairments of \$7,854,719 (\$0.062 per share) during the fourth quarter ended February 28, 2009 on the Black Canyon, Fourth of July, Hilltop Slaven and Seven Troughs properties.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2009, the Company had cash and cash equivalents of \$8,413,248 (February 28, 2009 - \$4,745,351) and a working capital surplus of \$9,451,163 (February 28, 2009 – \$5,386,069). The increase in cash and cash equivalents of \$3.7 million over the quarter ended May 31, 2009, was due to investing activities including the on-going exploration of the Company’s resource properties (\$2.1 million use of cash), operating expenses and changes in working capital including foreign exchange gains and losses (\$0.7 million use of cash) net of the issuance of common shares for cash and on the exercise of warrants and options (\$6.5 million increase in 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 quarter ended May 31, 2009, operating activities, including non-cash working capital changes, required funding of \$0.5 million (as compared with the same period during the previous year that required funding of \$1.1 million). The year over year decrease in cash required for operating activities is due lower usage of cash for working capital purposes (\$0.8 million lower usage in the current quarter) offset by higher salary, office and administrative expenses, legal expenses and marketing.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the quarter ended May 31, 2009.

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.

FINANCING ACTIVITIES

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 26, 2009, the Company entered into an agreement with Sandfire Securities Inc. as Lead Agent to raise gross proceeds of \$2 million at a price of \$0.50 per share via a proposed private placement flow-through offering ("Offered Securities"). The Lead Agent has an option to increase the size of the offering to \$3 million, will be paid a commission of 7.0% of the aggregate proceeds of the issue of Offered Securities, and will be granted an option to purchase that number of Offered Securities equal to 7% of the Offered Securities issued at a price equal to the price of the Offered Securities. The offer is subject to regulatory approval and the Flow-Through shares will be subject to a four-month hold period.

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 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 "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 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 1,108,240 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 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, 2008.

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 Strata transaction. As of July 28, 2009, the number of issued common shares was 190,745,578 (219,812,384 on a fully diluted basis).

As at July 28, 2009, there were 10,338,536 director, employee and consultant stock options outstanding with an exercise price ranging from \$0.21 to \$10.64 per share and expiring between November 9, 2009 and July 13, 2014. As at July 28, 2009, there were 18,728,270 warrants (including agent's warrants) outstanding with exercise prices ranging from \$0.20 to \$2.00 per share and with expiration dates ranging between July 31, 2009 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. Reclamation bonds reflect non-interest bearing cash on deposits and their discounted carrying value approximates their fair value.

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 endeavors 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 while the loan receivable represents a fixed interest bearing loan made to StrataGold Corporation. 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 May 31, 2009 through August 31, 2009.

(c) 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 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

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Canadian denominated	258,848	647	(647)	-	-
Cash - US denominated	1,568,034	3,920	(3,920)	156,803	(156,803)
Treasury funds - Canadian denominated	6,586,367	16,466	(16,466)	-	-
Total cash and cash equivalents	8,413,248	21,033	(21,033)	156,803	(156,803)
Reclamation bonds - US denominated (non-interest bearing)	394,531	986	(986)	39,453	(39,453)
Reclamation bonds - US denominated (interest bearing)	427,451	-	-	42,745	(42,745)
American Express deposit - US denominated	44,129	110	(110)	4,413	(4,413)
Total amount or impact - cash and deposits	9,279,359	22,129	(22,129)	243,414	(243,414)

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 three month reporting period ended May 31, 2009.

- 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. The changes are applied prospectively with no restatement of prior periods.

(i) 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. As at March 1, 2009 the adoption of this standard has had no effect on the Company's results of operation, cash flows or financial position.

(ii) 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. As at March 1, 2009 the adoption of this standard has had no effect on the Company's results of operation, cash flows or financial position.

(iii) Impairment Testing of Mineral Exploration Properties, EIC-174

EIC-174 discusses the issues of (i) when exploration costs related to mining properties may be capitalized, and (ii) if exploration costs are initially capitalized, when should impairment be assessed to determine whether a write down is required, and what conditions indicate impairment. As of May 31, 2009, the Company believes that no event or change in circumstances has occurred which would trigger impairment assessment on its mineral properties.

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 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.

OFF-BALANCE SHEET TRANSACTIONS

During the most recent three months ended May 31, 2009, 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, 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