



(an exploration and development stage company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

For the three months ended May 31, 2010 and 2009

(expressed in Canadian dollars)

The interim consolidated financial statements of Victoria Gold Corp. (“Victoria” or “the Company”) including the accompanying consolidated balance sheets as at May 31, 2010, and February 28, 2010, and the consolidated statements of operations and comprehensive loss, shareholders’ deficit and other comprehensive income, and cash flows for the three-month periods ended May 31, 2010, and 2009, are the responsibility of the Company’s management. The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) for interim financial statements.

VICTORIA GOLD CORP.

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May 31, 2010 and February 28, 2010

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 GAAP. 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 fulfils its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of three Directors, all of whom are non-management and independent, meets with management to review the interim consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the interim consolidated financial statements.

(signed) "Chad Williams"
Director, President and CEO
July 29, 2010

(signed) "Marty Rendall"
CFO
July 29, 2010

VICTORIA GOLD CORP.

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May 31, 2010 and February 28, 2010

**INTERIM CONSOLIDATED BALANCE SHEETS
AS AT MAY 31, 2010 AND FEBRUARY 28, 2010**

(expressed in Canadian dollars)

(unaudited)

	As at May 31 2010	As at February 28 2010
ASSETS		
Current		
Cash and cash equivalents	\$ 20,883,110	\$ 19,846,495
Restricted cash (Note 15a)	814,708	826,389
Marketable securities (Note 4)	313,500	473,002
Accounts receivable	340,009	276,192
Prepaid expenses	225,780	191,849
	22,577,107	21,613,927
Investment in Takara Resources Inc. (Note 5)	3,303,171	-
Property and equipment (Note 8)	424,831	975,441
Resource properties (Note 7)	54,876,158	53,241,098
	\$ 81,181,267	\$ 75,830,466
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,966,285	\$ 4,034,846
Current portion of ARO (Note 9)	24,233	24,381
	2,990,518	4,059,227
Long-term		
Asset retirement obligations ("ARO") (Note 9)	728,545	719,765
	3,719,063	4,778,992
SHAREHOLDERS' EQUITY		
Capital stock (Note 10)		
Authorized		
Unlimited number of common shares, without par value		
Issued		
Common shares	96,001,907	89,376,881
Value assigned to stock and agent options and share purchase warrants (Note 11)	8,894,056	9,039,932
Deficit	(27,433,759)	(27,365,339)
	77,462,204	71,051,474
	\$ 81,181,267	\$ 75,830,466
Going concern (Note 1)		
Nature of operations (Note 2)		
Approved on behalf of the Board	<u> "T. Sean Harvey" </u> Director	<u> "Hugh Agro" </u> Director

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**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS AND DEFICIT
FOR THE QUARTERS ENDED MAY 31**

(expressed in Canadian dollars)

(unaudited)

	<u>2010</u>	<u>2009</u>
Expenses		
Stock-based compensation (Note 11)	\$ 288,844	\$ 96,041
Salaries	362,469	233,128
Office and administrative	113,237	93,800
Consulting	60,006	67,479
Marketing	119,393	69,912
Legal and accounting	67,978	75,836
Interest and bank charges	10,885	2,735
Amortization	27,240	1,448
Resource property costs and impairments (Note 7)	<u>2,761</u>	<u>31,385</u>
Loss before the undernoted expenses	1,052,813	671,764
Foreign exchange loss/ (gain)	(34,808)	270,284
Change in fair value of marketable securities	139,426	-
Gain on disposal of mineral properties	(1,035,346)	-
Gain on sale of short term investment	(44,205)	-
Interest income	<u>(9,460)</u>	<u>(33,248)</u>
Net loss and comprehensive loss for the period	68,420	908,800
Deficit, beginning of period	27,365,339	21,165,138
Deficit, end of period	<u>\$ 27,433,759</u>	<u>\$ 22,073,938</u>
Basic and diluted Loss per common share	<u>\$ 0.000</u>	<u>\$ 0.006</u>
Weighted average number of common shares outstanding	<u>228,036,637</u>	<u>148,033,417</u>

Going concern (Note 1)

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INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**FOR THE QUARTERS ENDED MAY 31**

(expressed in Canadian dollars)

(unaudited)

	<u>2010</u>	<u>2009</u>
Operating activities		
Net loss for the period	\$ (68,420)	\$ (908,800)
Items not affecting cash:		
Resource property impairments	2,761	31,385
Stock-based compensation	288,844	96,041
Expenses settled with shares	-	66,000
Gain on sale of property	(1,035,346)	-
Accretion expense of ARO	8,632	3,069
Change in fair value of marketable securities	116,728	-
Amortization	27,240	1,448
Net, unrealized, foreign exchange loss (gain)	12,709	297,348
Changes in non-cash working capital:		
Accounts receivable	(146,281)	(64,040)
Marketable securities	36,181	-
Prepaid expenses	28,223	25,336
Accounts payable	(130,184)	(38,671)
	<u>(858,913)</u>	<u>(490,884)</u>
Investing activities		
Resource properties	(4,101,947)	(1,243,089)
Restricted cash	6,362	109,788
Purchase of capital assets	(23,865)	-
Acquisition of StrataGold (Note 6)	-	(958,722)
	<u>(4,119,450)</u>	<u>(2,092,023)</u>
Financing activities		
Shares issued for cash, net of issuance costs	4,050,050	6,471,228
Exercise of warrants and options	1,972,319	-
	<u>6,022,369</u>	<u>6,471,228</u>
Foreign exchange gain (loss) on US\$ cash	(7,391)	(220,424)
Increase in cash and cash equivalents	1,036,615	3,667,897
Cash and cash equivalents, beginning of period	19,846,495	4,745,351
Cash and cash equivalents, end of period	\$ 20,883,110	\$ 8,413,248
Supplementary cash flow information (Note 12)		

VICTORIA GOLD CORP.

(an exploration and development stage company)

Notes to the Interim Consolidated Financial Statements for the three months ended May 31, 2010

(unaudited)

1 Going concern

At May 31, 2010, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of \$19,586,589 (compared with a surplus of \$17,554,700 at February 28, 2010), reported a net loss of \$68,420 (a loss of \$908,800 was reported for the quarter ended May 31, 2009) and cumulative deficit of \$27,433,759 (\$22,073,938 at February 28, 2010). 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 and development of its mineral properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date (See Note 10), 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 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 and development 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,
- Gateway Gold (USA) Corp., a Nevada corporation,
- StrataGold Corporation, a British Columbia corporation,
- StrataGold (Barbados) Corporation, a Barbados corporation, and
- Tassawini Gold (Barbados) Corporation, a Barbados corporation.

Gateway Gold Corp. and Gateway Gold (USA) Corp. (together referred to as "Gateway") were acquired by the Company on December 18, 2008.

StrataGold Corporation, StrataGold (Barbados) Corporation, Tassawini Gold (Barbados) Corporation and StrataGold Guyana Inc. (together referred to as "StrataGold") were acquired by the Company on June 4, 2009. StrataGold Guyana Inc., the entity which held all of the Company's Guyana assets, was sold to Takara Resources Inc. on April 23, 2010.

All inter-company balances and transactions have been eliminated.

VICTORIA GOLD CORP.

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Notes to the Interim Consolidated Financial Statements for the three months ended May 31, 2010

(unaudited)

3 Summary of significant accounting policies and basis of presentation

These interim consolidated financial statements have been prepared in accordance with Canadian GAAP. All amounts are in Canadian dollars unless otherwise specified.

These interim consolidated financial statements follow the same accounting principles and methods of application as those disclosed in Note 3 to the Company's audited consolidated financial statements as at and for the year ended February 28, 2010. The Company's interim consolidated financial statements do not include all disclosures required by Canadian GAAP for annual consolidated financial statements and accordingly, should be read in conjunction with the February 28, 2010 Audited Consolidated Financial Statements.

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.

Future accounting changes

Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1582, 1601, 1602 Business Combinations, Consolidations, and Non-Controlling Interests

In January 2009, the Accounting Standards Board issued the following Handbook sections: 1582 – Business Combinations, 1601 – Consolidations, and 1602 – Non-Controlling Interests. These new Sections will be applicable to financial statements relating to the Company's interim and fiscal year end beginning on or after January 1, 2011. Early adoption is permitted. The Company does not expect that there will be any material impact upon its adoption of these new sections on its consolidated financial statements.

4 Marketable securities

	Market Values	
	As at May 31, 2010	As at Feb. 28, 2010
Marketable securities	<u>\$ 313,500</u>	<u>\$ 473,002</u>

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5 Investment in Takara Resources Inc.

	As at May 31, 2010	As at February 28, 2010
Takara Resources Inc. – 22,208,355 common shares	\$ 3,303,171	\$ -
	\$ 3,303,171	\$ -

On April 23, 2010 the Company completed a transaction with Takara Resources Inc. (“Takara”) to sell all of the issued and outstanding shares of StrataGold Guyana Inc., which were held by Tassawini Gold (Barbados), a wholly owned subsidiary of the Company.

Pursuant to this transaction, Takara has issued 21,858,355 of its common shares to Victoria. The shares are subject to a 4-month hold period and will be held in escrow with a release as follows: 10% on issuance of the TSX Venture Exchange bulletin and 15% every six months thereafter for a period of three years. Victoria is restricted, subject to Takara Board approval, from trading, on any one day, more than 25% of Takara’s daily trading volume based on a 30-day average. Prior to closing, Victoria held 350,000 of Takara’s shares and thus, following completion of this transaction, Victoria held 22,208,355 of Takara’s issued and outstanding shares, with a carrying value of \$3,303,171, at May 31, 2010.

At May 31, 2010, the Takara shares had a market value of \$3,997,504.

Victoria will be issued a further 4,000,000 shares, valued at market price as at the date immediately preceding issuance, if one of the following are met:

a) completion of a positive preliminary economic assessment (or other similar report) on any of the assets of StrataGold Guyana held at closing; or

b) approval by the board of directors of Takara of an engagement letter or other agreement (including any letter of intent), or a resolution of the board of directors of Takara with respect to any arrangements generally, providing for production of project development financing in respect of any of the assets of StrataGold Guyana held at closing.

6 Acquisition of StrataGold Corporation.

Victoria completed the acquisition of StrataGold Corporation (“StrataGold”), by way of Plan of Arrangement (the “StrataGold Arrangement”), which was approved by the Supreme Court of British Columbia on May 29, 2009, with an effective closing date of June 4, 2009. Pursuant to the StrataGold Arrangement, holders of StrataGold shares were entitled to receive 0.1249 of a Victoria common share for each StrataGold common share held. All outstanding StrataGold options and warrants became exercisable for common shares of Victoria in accordance with the same ratio.

In consideration for the acquisition of StrataGold, the Company issued 23,000,709 common shares to shareholders of StrataGold, representing approximately \$10.4 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, which equates to \$0.45 per each Victoria share for the StrataGold acquisition.

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Each StrataGold warrant or stock option which gave the holder the right to acquire shares in the common stock of StrataGold 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 StrataGold's common shares for Victoria common shares. These warrants and options have been included in the purchase consideration at their fair value of approximately \$0.1 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	1.20%
Dividend yield	Nil
Volatility factor – options	109%
Volatility factor - warrants	99%
Expected life - options	3.08 years
Expected life - warrants	0.58 years

The purchase price allocation is summarized as follows:

	Cash Flow Impact	Purchase Price Allocation
Common shares of Victoria issued on acquisition		\$ 10,350,320
Stock options to be exchanged for options of Victoria		109,607
Share purchase warrants to exchanged for warrants of Victoria		10,528
Cash advance to StrataGold under loan agreement (1)	\$ (878,170)	902,443
Acquisition costs	(366,044)	366,044
		<hr/> \$ 11,738,942
Net assets acquired:		
Cash and cash equivalents	\$ 243,408	\$ 243,408
Accounts receivable		97,043
Investments		81,000
Prepaid expenses		69,347
Property and equipment		838,290
Acquired resource property interests (Note 7)		11,384,344
Accounts payable and accrued liabilities		(974,490)
	<hr/> \$ (1,000,806)	<hr/> \$ 11,738,942

(1) The loan includes a cash advance of \$878,170 and accrued interest through to the effective date of \$24,273.

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7 Resource properties**RESOURCE PROPERTY EXPENDITURE TABLES**

Details of additions and impairments for the quarter ended May 31, 2010 and cumulative expenditures as at May 31, 2010 are as follows:

Properties Cdn \$	Cost as at Feb. 28, '10	for the quarter ended May 31, 2010			Cumulative Expenditures as at May 31, '10
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Mill Canyon (Nevada)	12,219,932	48,601	-	48,601	12,268,533
Relief Canyon (Nevada)	1,833,827	6,908	-	6,908	1,840,735
Cove (Nevada)	12,506,930	321,878	-	321,878	12,828,808
Big Springs (Nevada)	4,125,889	174,918	-	174,918	4,300,807
Golden Dome (Nevada)	1,120,966	6,777	-	6,777	1,127,743
Mac Ridge (Nevada)	609,712	6,827	-	6,827	616,539
Santa Fe (Nevada)	2,641,510	368,365	-	368,365	3,009,875
Dublin Gulch (Yukon)	16,130,406	2,268,293	-	2,268,293	18,398,699
*Tassawini (Guyana)	860,978	100,391	(961,369)	(860,978)	-
*BRL Venture (Guyana)	705,180	93,613	(798,793)	(705,180)	-
**Other properties	485,768	1,412	(2,761)	(1,349)	484,419
Total	53,241,098	3,397,983	(1,762,923)	1,635,060	54,876,158

* Tassawini and BRL Venture properties were sold to Takara Resources Inc. on April 23, 2010 for shares. The excess of the proceeds over the carrying value from the sale was accounted for as a Gain on Sale of property (Note 5).

** Other properties include Wattabaeg and Russell Creek in Ontario and Donjek, Aurex, Eureka, Canalask, Clear Creek and Hyland in Yukon Territory and Jack Creek, Island Mountain and Dorsey Creek in Nevada as well as costs associated with final reclamation at properties which the Company had dropped.

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(unaudited)

Details of additions and impairments for the year ended February 28, 2010 and cumulative expenditures as at February 28, 2010 are as follows:

Properties, Nevada, USA Cdn \$	Cost as at Feb. 28, '09	for the year ended Feb. 28, 2010			Cumulative Expenditures as at Feb. 28, '10
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Mill Canyon	12,122,432	97,500	-	97,500	12,219,932
Hilltop-Slaven	-	79,792	(79,792)	-	-
Black Canyon*	-	27,777	(27,777)	-	-
Relief Canyon	1,773,677	60,150	-	60,150	1,833,827
Cove	10,726,094	1,780,836	-	1,780,836	12,506,930
Seven Troughs	-	11,968	(11,968)	-	-
Summit	996,028	545,625	(1,541,653)	(996,028)	-
Big Springs	3,304,617	821,272	-	821,272	4,125,889
Golden Dome	982,208	138,758	-	138,758	1,120,966
Island Mountain	788	24,287	-	24,287	25,075
Dorsey Creek	5,610	39,724	-	39,724	45,334
Mac Ridge	531,232	78,480	-	78,480	609,712
Jack Creek	670	24,557	-	24,557	25,227
Carlin East	274,031	46,744	(320,775)	(274,031)	-
Toiyabe	23,439	11,030	(34,469)	(23,439)	-
Santa Fe	252,156	2,389,354	-	2,389,354	2,641,510
Total	30,992,983	6,177,854	(2,016,434)	4,161,420	35,154,402

* Black Canyon includes the 4th of July property

Properties Acquired from StrataGold Cdn \$	Cost as at June 4, '09	for the period from June 4, 2009 through February 28, 2010			Cumulative Expenditures as at Feb. 28, '10
		Exploration & Development	(Impairment) / (Sale)	Net Additions / (Reductions)	
Dublin Gulch (Canada)	9,384,344	6,746,062	-	6,746,062	16,130,406
Tassawini (Guyana)	500,000	360,978	-	360,978	860,978
BRL Venture (Guyana)	500,000	293,280	(88,100)	205,180	705,180
Kaituma (Guyana)	500,000	3,488	(503,488)*	(500,000)	-
Other properties (Canada)	500,000	(109,868)**	-	(109,868)	390,132
Total	11,384,344	7,293,940	(591,588)	6,702,352	18,086,696
Total	42,377,327	13,471,794	(2,608,022)**	10,863,772	53,241,098

*Kaituma Impairment/Sale includes \$180,318 proceeds from sale and \$323,170 loss on sale.

**Impairments/Sale excluding Kaituma is \$2,104,534.

***This includes cash and shares received from joint venture partners on optioned properties.

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Notes to the Interim Consolidated Financial Statements for the three months ended May 31, 2010

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During the year ended February 28, 2010 the Company sold its interest in the Kaituma property to Argus Metals Corp. for cash, shares and a net smelter return royalty. The excess of the carrying value over the proceeds from the sale of the mineral property were entirely written off.

During the year ended February 28, 2010 the carrying value of the mineral property assets at the Summit, Carlin East and Toiyabe properties were entirely written off. The decision to write down these assets was based on management's decision to cease exploration on the properties.

The Hilltop-Slaven, Black Canyon (including the 4th of July property) and Seven Troughs properties were entirely written off during the year ended February 28, 2009. All expenditures incurred since February 28, 2009, to effect final termination of these properties, were written off during the period in which they were incurred.

8 Property and Equipment

	Original Cost	Accumulated Amortization and Loss on Disposal of Assets	May 31, 2010 Net Cost
Furniture and fixtures	\$ 15,128	\$ 2,967	\$ 12,161
Computer equipment	61,215	9,828	51,387
Field equipment	79,180	33,272	45,908
Automotive equipment	12,397	4,877	7,520
Land	307,855	-	307,855
	\$ 475,775	\$ 50,944	\$ 424,831

Original Cost is based on the fair value of property and equipment purchased by Victoria on the closing date of June 4, 2009 for StrataGold (see Note 6) and has fallen since Feb. 28, 2010 due to the sale of the Guyana subsidiary (see Note 5), which held some Property and Equipment.

	Original Cost	Accumulated Amortization and Loss on Disposal of Assets	Feb. 28, 2010 Net Cost
Furniture and fixtures	\$ 55,097	\$ 7,743	\$ 47,354
Computer equipment	72,332	12,739	59,593
Field equipment	633,617	81,094	552,523
Automotive equipment	12,397	4,281	8,116
Land	307,855	-	307,855
	\$ 1,081,298	\$ 105,857	\$ 975,441

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9 Asset Retirement Obligations

	Quarter Ended May 2010	Year Ended February 2009
Balance, beginning of the year	\$ 744,146	\$ 219,208
Obligations incurred during the year	-	-
Accretion expense	8,632	11,239
Adjustment of estimated cash flows to carrying value of assets	-	513,699
Balance, end of year	\$ 752,778	\$ 744,146
Less: current portion	(24,233)	(24,381)
Long-term portion	\$ 728,545	\$ 719,765

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Mill Canyon, Hilltop, Black Canyon, Relief Canyon, Cove, Big Springs, Dorsey Creek, Mac Ridge, Golden Dome and Dublin Gulch properties. The total undiscounted amount of the estimated future cash flows required to settle the asset retirement obligation is estimated to be \$1,071,582. These expenditures are expected to be incurred over the period 2010 through 2024. 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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10 Share capital

Capital Stock	Quarter ended May 31, 2010		Year ended February 28, 2010	
	Shares	Amount	Shares	Amount
Balance, beginning of year	225,166,505	\$ 89,376,881	134,199,069	\$ 49,080,376
Issued during the period				
For cash:				
- Stock options exercised	465,000	203,125	379,875	139,969
- Warrants exercised	3,002,680	1,682,206	14,431,250	4,774,010
- Agent options exercised	193,307	86,988	2,291,224	877,156
- Equity Financings	4,100,000	4,305,000	50,664,378	27,084,684
For debt	-	-	200,000	66,000
For acquisition:				
- StrataGold Corp.	-	-	23,000,709	10,350,320
Fair values assigned to warrants issued under private placements	-	-	-	(2,194,605)
Fair values allocated to common shares upon exercise:				
Stock options	-	85,293	-	81,085
Warrants	-	489,807	-	1,733,577
Agent options	-	27,559	-	297,728
Share issuance costs	-	(254,952)	-	(2,412,674)
Flow-through tax benefits renounced	-	-	-	(500,745)
Balance, end of period	232,927,492	\$ 96,001,907	225,166,505	\$ 89,376,881

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

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

On August 6, 2009, the Company closed a brokered private placement of 4,231,055 flow-through common shares priced at \$0.45 each, for gross proceeds of \$1.9 million (the "Offering"). The Company

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has renounced the income tax deductions related to the Offering. Sandfire Securities Inc. (the "Agent") acted as agent and received a cash commission equal to 7% of the gross proceeds from the sale of the Offering. The Agent was also issued broker warrants to purchase 285,285 common shares of the Company at a price of 0.45 per common share until August 6, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on December 12, 2009.

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

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

On 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 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 common share of the Company at a price of \$0.55 until March 13, 2011. The escrow release conditions included the completion by the Company of the acquisition of StrataGold Corporation ("StrataGold") announced on February 11, 2009 (the "StrataGold Acquisition") and were fully met in June 2009. Wellington West Capital Markets Inc. led a syndicate including Raymond James Ltd., Haywood Securities Inc. and M. Partners (together, the "Agents") in connection with the Offering. As compensation for services rendered in connection with the Offering, the Agents were paid a cash commission equal to 7% of the gross proceeds from the sale of Units and Subscription. The Agents were also issued broker warrants to purchase 1,583,666 common shares of the Company at a price of \$0.45 per common share until March 13, 2010. All securities issued pursuant to the Offering were subject to a four month hold period which expired on July 13, 2009.

11 Stock options and warrants

Stock options

The Company has adopted a stock option plan for its directors, officers, 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 vest immediately; a further one-eighth vest after each three month period thereafter, with the final one-quarter vesting eighteen months from the date of grant. At May 31, 2010, 9,941,152 (9,101,525 as at February 28, 2010) additional stock options were available for grant under the Company's stock option plan.

On December 18, 2009 the Company granted 3,210,000 incentive stock options with an exercise price of \$0.70 per option to directors, officers and employees of the Company. 103,750 of these options were forfeited as at May 31, 2010. The stock options have a term of five years and expire on December 18, 2014. The fair value of these options totalling \$1,392,222 will be recognized (\$821,411 expensed and \$570,811 capitalized to resource properties) over the vesting periods, of which \$723,182 has been recognized (\$426,677 expensed and \$296,505 capitalized) as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 4.4 years, an expected volatility of 101% and a dividend yield rate of nil. This results in an estimated value of \$0.45 per option at the grant date using the Black-Scholes option-pricing model.

On September 21, 2009, the Company granted 695,000 incentive stock options with an exercise price of \$0.38 per option to employees of the Company. The stock options have a term of five years and

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expire on September 21, 2014. The fair value of these options totalling \$189,344 will be recognized (expensed) over the vesting periods, of which \$132,672 has been recognized as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 2.4%, an expected life of 4.8 years, an expected volatility of 100% and a dividend yield rate of nil. This results in an estimated value of \$0.27 per option at the grant date using the Black-Scholes option-pricing model.

On July 13, 2009, the Company granted 75,000 incentive stock options with an exercise price of \$0.36 per option to an employee of the Company. The stock options have a term of five years and expire on July 13, 2014. The fair value of these options totalling \$16,166 will be recognized (capitalized) over the vesting periods, of which \$13,359 has been recognized as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.22 per option at the grant date using the Black-Scholes option-pricing model.

On July 2, 2009, the Company granted 250,000 incentive stock options with an exercise price of \$0.40 per option to an employee of the Company. The stock options have a term of five years and expire on July 2, 2014. The fair value of these options totalling \$72,116 will be recognized (capitalized) over the vesting periods, of which \$61,950 has been recognized as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 2.31%, an expected life of 5.0 years, an expected volatility of 98% and a dividend yield rate of nil. This results in an estimated value of \$0.29 per option at the grant date using the Black-Scholes option-pricing model.

On June 4 2009, Victoria completed the acquisition of StrataGold by way of Plan of Arrangement. Pursuant to the Arrangement, holders of StrataGold shares were entitled to receive 0.1249 Victoria common shares for each StrataGold common share held. All outstanding StrataGold options and warrants became exercisable for common shares of Victoria in accordance with the same ratio resulting in the issuance of 1,064,148 Victoria options and 2,105,658 Victoria warrants.

On May 11, 2009, the Company granted 150,000 incentive stock options with an exercise price of \$0.32 per option to an employee of the Company. The stock options have a term of five years and expire on May 11, 2014. The fair value of these options totalling \$30,481 will be recognized (\$7,133 expensed and \$23,348 capitalized) over the vesting periods, of which \$27,856 has been recognized (\$7,133 expensed and \$20,723 capitalized) as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 0.9%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.20 per option at the grant date using the Black-Scholes option-pricing model.

On April 6, 2009, the Company granted 125,000 incentive stock options with an exercise price of \$0.45 per option to a consultant of the Company. The stock options have a term of three years and expire on April 6, 2012. The fair value of these options totalling \$24,006 will be recognized (expensed) over the vesting periods, of which \$22,472 has been recognized as at May 31, 2010. The fair value of these options was calculated based on a risk-free annual interest rate of 1.1%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of \$0.19 per option at the grant date using the Black-Scholes option-pricing model.

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. 112,500 of these options have been forfeited as at May 31, 2010. The stock options have a term of five years and expire on December 17, 2013. The fair value of these options totalling \$380,265 (\$272,157 will be expensed and \$108,108 will be capitalized to properties) will be recognized over the vesting periods, of which \$374,983 (\$268,387 has been expensed and \$106,597 has been capitalized to properties) has been recognized as at May 31, 2010. 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.

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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, 2009	9,537,500	\$0.48	2,491,060
Granted – to Victoria employees	4,505,000	\$0.61	1,766,775
Granted – to replace StrataGold options	1,064,148	\$4.72	109,607
Exercised	(379,875)	\$0.38	(43,003)
Expired	(1,438,801)	\$2.59	(254,655)
Forfeited	(206,250)	\$0.46	(56,419)
Stock options outstanding at Feb. 28, 2010	13,081,722	\$0.64	4,013,365
Granted – to Victoria employees	-	\$0.00	-
Granted – to replace StrataGold options	-	\$0.00	-
Exercised	(465,000)	\$0.42	(85,293)
Expired	-	\$0.00	-
Forfeited	(78,750)	\$0.58	(29,201)
Stock options outstanding at May 31, 2010	12,537,972	\$0.65	3,898,871

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Stock options outstanding and exercisable as at May 31, 2010 are as follows:

	Exercise price	Number of outstanding stock options	Expiry Date	Number of exercisable stock options
StrataGold related	\$3.20	11,241	June 22, 2010	11,241
Gateway related	\$0.60	275,000	February 28, 2011	275,000
StrataGold related	\$7.04	43,714	January 31, 2011	43,714
Granted by Victoria	\$0.74	325,000	April 20, 2011	325,000
Gateway related	\$0.60	45,000	May 30, 2011	45,000
StrataGold related	\$10.64	5,621	June 26, 2011	5,621
StrataGold related	\$9.60	6,245	September 1, 2011	6,245
StrataGold related	\$10.08	1,874	December 8, 2011	1,874
StrataGold related	\$10.08	37,470	December 14, 2011	37,470
StrataGold related	\$8.72	18,735	January 26, 2012	18,735
Granted by Victoria	\$0.45	125,000	April 6, 2012	78,125
Gateway related	\$0.60	587,500	April 27, 2012	587,500
StrataGold related	\$5.04	3,123	May 2, 2012	3,123
StrataGold related	\$5.28	15,613	June 11, 2012	15,613
Gateway related	\$1.38	50,000	June 26, 2012	50,000
Gateway related	\$0.60	207,000	July 25, 2012	207,000
StrataGold related	\$3.60	4,996	August 15, 2012	4,996
Granted by Victoria	\$0.60	1,900,000	August 20, 2012	1,900,000
Granted by Victoria	\$0.65	220,000	September 17, 2012	220,000
StrataGold related	\$3.92	18,735	October 1, 2012	18,735
Granted by Victoria	\$0.70	700,000	October 23, 2012	700,000
Gateway related	\$0.40	585,000	July 30, 2013	585,000
Gateway related	\$0.34	280,000	September 29, 2013	280,000
Granted by Victoria	\$0.21	2,614,375	December 17, 2013	1,894,375
StrataGold related	\$1.60	155,500	February 19, 2013	155,500
StrataGold related	\$1.60	24,980	March 3, 2013	24,980
Granted by Victoria	\$0.32	150,000	May 11, 2014	75,000
Granted by Victoria	\$0.40	250,000	July 2, 2014	125,000
Granted by Victoria	\$0.36	75,000	July 13, 2014	37,500
Granted by Victoria	\$0.38	695,000	September 18, 2014	260,625
Granted by Victoria	\$0.70	3,106,250	December 18, 2014	796,250
		<u>12,537,972</u>		<u>8,789,222</u>

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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, 2009	21,953,466	\$0.54	4,770,349
Issued	11,311,900	\$0.55	2,194,605
Issued – to replace StrataGold warrants	2,105,658	\$2.00	10,528
Exercised	(14,431,250)	\$0.33	(1,733,577)
Expired	(11,892,324)	\$1.04	(3,675,410)
Warrants outstanding at February 28, 2010	9,047,450	\$0.57	1,566,495
Issued	-	\$0.00	-
Exercised	(3,002,680)	\$0.56	(489,807)
Expired	-	\$0.00	-
Warrants outstanding at May 31, 2010	6,044,770	\$0.58	1,076,688

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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 options and share purchase warrants	Quarter Ended May 2010	Year Ended February 2010
Balance, beginning of the period	\$ 9,039,932	\$ 8,616,242
In connection with the Mar. 13, 2009 private placements:		
Fair value of share purchase warrants	-	2,194,605
Issuance costs, agent's warrants	-	225,780
Issuance costs, cash	-	(238,339)
In connection with the Aug. 6, 2009 private placements:		
Issuance costs, agent's warrants	-	36,687
Stock-based compensation, expensed	288,844	462,180
Stock-based compensation, capitalized to resource properties	167,939	304,720
Fair values allocated to common shares upon exercise:		
Stock options	(85,293)	(81,085)
Purchase warrants	(489,807)	(1,733,577)
Agent options	(27,559)	(297,728)
Fair value assigned to StrataGold options	-	109,607
Fair value assigned to StrataGold warrants	-	10,528
Tax impact of warrant expiry	-	(569,688)
Balance, end of the period	\$ 8,894,056	\$ 9,039,932

12 Supplementary cash flow information

	May 31, 2010	February 28, 2010
Non-cash investing and financing activities		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 2,058,400	\$ 3,026,045
Fair value assigned to Agent options and warrants (Note 11)	\$ -	\$ 262,467
Stock-based compensation, capitalized to resource properties (Note 11)	\$ 167,939	\$ 304,720
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

13 Related party transactions

There were no related party transactions during the quarter ended May 31, 2010.

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14 Commitments

Operating Leases

At May 31, 2010, Victoria has future minimum annual operating lease commitments for office premises in; (1) Vancouver, BC, (2) Toronto, Ontario, (3) Reno, Nevada and (4) Elko County, Nevada, as follows:

	CAN\$	US\$
to February 29, 2011	\$ 152,321	\$ 10,000
to February 29, 2012	183,090	-
to February 29, 2013	114,970	-
to February 29, 2014	9,920	-
to February 29, 2015 and thereafter	-	-
Total	\$ 460,301	\$ 10,000

15 Financial Instruments

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, restricted cash, accounts receivable and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future.

Fair Value Hierarchy

The fair value hierarchy in CICA Handbook Section 3862 establishes three levels to classify inputs to the valuation techniques used to measure fair value. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices). Level 3 inputs are unobservable (supported by little or no market activity), such as non-corroborative indicative prices for a particular instrument provided by a third party.

The Company has classified the above financial assets and liabilities as at May 31, 2010 and as at February 28, 2010 respectively, as follows:

May 31, 2010	Level One	Level Two	Level Three
Restricted cash	\$ -	\$ 814,708	\$ -
Marketable securities	\$ 313,500	\$ -	\$ -
February 28, 2010	Level One	Level Two	Level Three
Restricted cash	\$ -	\$ 826,389	\$ -
Marketable securities	\$ 473,002	\$ -	\$ -

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 instruments with major commercial banks.

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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. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada and joint venture partners and interest bearing certificates of deposit held by Wells Fargo. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of restricted cash, 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, 2010 through August 31, 2010.

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 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.

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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 three month reporting period ended May 31, 2010.

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn \$)					
Cash - Cdn\$ denominated	5,910,141	14,775	(14,775)	-	-
Cash - US\$ denominated	1,190,309	2,976	(2,976)	119,031	(119,031)
Treasury funds - Canadian denominated	13,782,660	34,457	(34,457)	-	-
Total cash and cash equivalents	20,883,110	52,208	(52,208)	119,031	(119,031)
Reclamation bonds - US\$ denominated (non-interest bearing)	402,581	-	-	40,258	(40,258)
Reclamation bonds - US\$ denominated (interest bearing)	412,127	1,030	(1,030)	41,213	(41,213)
Total amount or impact - cash and deposits	21,697,818	53,238	(53,238)	200,502	(200,502)

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 three 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%.

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 Canada and the United States. A breakdown of mineral properties by geography expenditures as disclosed in *Note 7*.

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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 and development 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 at May 31, 2010, 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 three months ended May 31, 2010.