

Victoria Resource Corporation

(an exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

(audited)

Years ended February 29, 2008 and February 28, 2007

(expressed in Canadian dollars)

June 20, 2008

Auditors' Report

To the Shareholders of Victoria Resource Corporation

We have audited the consolidated balance sheets of **Victoria Resource Corporation** as at February 29, 2008 and February 28, 2007 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **Victoria Resource Corporation** as at February 29, 2008 and February 28, 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying consolidated financial statements and all other financial information included in this report is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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

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

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

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

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CONSOLIDATED BALANCE SHEETS**AS AT FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(expressed in Canadian dollars)

	2008	2007
ASSETS		
Current		
Cash and cash equivalents	\$ 9,922,962	\$ 2,458,476
Accounts receivable	18,851	11,049
Prepaid expenses	5,819	541
	9,947,632	2,470,066
Resource properties (Note 5 and Schedule)	26,529,142	20,191,535
Reclamation bonds	399,996	389,373
	\$ 36,876,770	\$ 23,050,974
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 769,113	\$ 1,000,411
Asset retirement obligations (Note 6)	-	94,753
Note payable to EastWest Gold Corporation (Note 10)	-	1,406,859
	769,113	2,502,023
Long-term		
Asset retirement obligations (Note 6)	212,669	220,323
	981,782	2,722,346
SHAREHOLDERS' EQUITY		
Capital stock (Note 7)		
Authorized		
Unlimited number of common shares, without par value		
Issued		
91,635,152 common shares (February 28, 2007 – 67,434,934)	39,604,591	27,789,315
Value assigned to stock/ agent options and share purchase warrants (Note 8)	7,355,741	2,090,075
Deficit	(11,065,344)	(9,550,762)
	35,894,988	20,328,628
	\$ 36,876,770	\$ 23,050,974
Going concern (Note 1)		
Nature of operations (Note 2)		
Commitments (Note 12)		

Approved on behalf of the Board “ Sean Harvey “ Director “ John McConnell “ Director

(See accompanying notes to consolidated financial statements)

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**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE
LOSS AND DEFICIT****FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(expressed in Canadian dollars)

	2008	2007
Expenses		
Stock-based compensation (Note 8)	\$ 880,155	\$ 549,958
Salary and management fees	291,614	18,000
Office and administrative	129,977	97,924
Legal	109,408	27,082
Interest and bank charges	105,234	159,349
Consulting	85,506	69,990
Shareholder information	79,542	27,914
Accounting	69,190	53,714
Audit and tax consulting	52,581	30,864
Listing and filing fees	49,341	3,807
Rent and utilities	25,122	28,800
Transfer agent	15,789	5,993
Write-off of Pinson-Preble property	11,385	2,636,238
	1,904,844	3,709,633
Loss before the undernoted expenses (income)	1,904,844	3,709,633
Foreign exchange loss/ (gain)	(181,782)	534
Interest income	(208,480)	(161,483)
Net loss and comprehensive loss for the year	1,514,582	3,548,684
Deficit, beginning of year	9,550,762	6,002,078
Deficit, end of year	\$ 11,065,344	\$ 9,550,762
Basic and diluted loss per common share	\$ 0.020	\$ 0.056
Weighted average number of common shares outstanding	76,615,997	63,648,629

Going concern (Note 1)

(See accompanying notes to consolidated financial statements)

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CONSOLIDATED STATEMENTS OF CASH FLOWS**FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(expressed in Canadian dollars)

	2008	2007
Operating activities		
Net loss for the year	\$ (1,514,582)	\$ (3,548,684)
Items not affecting cash:		
Write-off of resource properties	11,385	2,636,238
Stock-based compensation	880,155	549,958
Accrued interest expense	-	148,947
Accretion expense of asset retirement obligations	5,508	4,903
Net, unrealized, foreign exchange loss/ (gain)	130,187	15,564
Changes in non-cash working capital:		
Accounts receivable	(7,802)	2,907
Prepaid expenses	(5,278)	(91)
Accounts payable	(861,714)	20,083
	(1,362,141)	(170,175)
Financing activities		
Common shares issued for cash, net of issue costs	14,668,295	7,093,204
Common shares issued on exercise of warrants and options	1,152,557	1,831,269
Repayment of note payable to EastWest Gold Corporation	(1,406,859)	(1,000,000)
	14,413,993	7,924,473
Investing activities		
Resource properties	(5,446,556)	(5,557,485)
Reclamation bonds	(73,865)	(67,954)
	(5,520,421)	(5,625,439)
Foreign exchange gain (loss) on cash held in foreign currency	(66,945)	4,034
Increase in cash and cash equivalents	7,464,486	2,132,893
Cash and cash equivalents, beginning of year	2,458,476	325,583
Cash and cash equivalents, end of year	\$ 9,922,962	\$ 2,458,476

Supplementary cash flow information (Note 9)

(See accompanying notes to consolidated financial statements)

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1 Going concern

At February 29, 2008, Victoria Resource Corporation ("Victoria" or "the Company") had a working capital surplus of \$9,178,520 (compared with a deficiency of \$31,957 at February 28, 2007) and reported a net loss of \$1,514,582 (2007 - \$3,548,684). The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. The Company periodically seeks financing to continue the exploration of its mineral properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date (See Note 7), 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.

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

The Company is in the process of advancing its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values. The Company does not have any resource or reserves, as defined by National Instrument 43-101.

2 Nature of operations and basis of presentation

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

On November 6, 2006, Bema Gold Corporation ("Bema"), the former principle shareholder of the Company (29%), and Kinross Gold Corporation ("Kinross") announced that their Boards of Directors had unanimously approved Kinross' acquisition of Bema. The acquisition of Bema by Kinross was completed on February 27, 2007. As part of the acquisition, Bema amalgamated with a subsidiary of Kinross and is now a wholly-owned subsidiary of Kinross named EastWest Gold Corporation ("EastWest Gold"). EastWest Gold is the Company's principal shareholder with a 27% ownership.

3 Summary of significant accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of Victoria and its wholly-owned subsidiary, Victoria Resources (U.S.) Inc. All inter-company balances and transactions have been eliminated.

Use of estimates

The preparation of these consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets

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and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assessment of the carrying value of resource properties, valuation of stock options and share purchase warrants and asset retirement obligations. Actual results could differ from those estimates.

Cash and cash equivalents

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

Resource properties

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

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

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

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

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

Future income taxes

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

Foreign exchange translation

The Company's subsidiary is an integrated foreign operation and its financial statements are translated using the temporal method. Currency transactions and balances are translated into the reporting currency as follows:

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

Stock-based compensation

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

Asset retirement obligations

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

Loss per common share

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

4 Changes in accounting policies and accounting standards

Accounting changes

Effective March 1, 2007, the Company adopted new accounting recommendations from the CICA, Handbook, Section 1530 – “Comprehensive Income,” Section 3855 – “Financial Instruments – Recognition and Measurement,” Section 3861 – “Financial Instruments Presentation and Disclosure,” and Section 3865 – “Hedges.” The changes are applied prospectively with no restatement of prior periods.

(i) Comprehensive Income, Section 1530

Section 1530 introduces a new financial statement – “Statement of Comprehensive Income” and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available-for-sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments. The new standard did not have an impact upon adoption and the Company has not recognized any adjustments through other comprehensive income for the year ended February 29, 2008.

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(ii) Financial Instruments, Sections 3855 and 3861

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity financial assets, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives not closely related to host contracts, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

As a result of the adoption of the standards Victoria has designated its financial instruments as follows:

- Cash and cash equivalents are classified as "held for trading",
- accounts receivable and reclamation bonds are classified as "loans and receivables", and
- accounts payable, accrued liabilities and the note payable to EastWest Gold Corporation are classified as "other" financial liabilities.

(iii) Hedging, Section 3865

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. During the year ended, and as at February 29, 2008 the Company has no hedging programs in place.

Future Accounting Standards

The CICA has issued new accounting standards: Handbook Section 1535, "Capital Disclosures", Handbook Section 3862, "Financial Instruments – Disclosures", Handbook Section 3863, "Financial Instruments – Presentation", Handbook Section 3031, "Inventories" and Handbook Section 3064, "Goodwill and Intangible Assets". These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on March 1, 2008 unless stated otherwise.

(i) Capital Disclosures, Section 1535

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and, (iv) if it has not complied, the consequences of such non-compliance.

(ii) Financial Instruments, Sections 3862 and 3863

The new Sections 3862 and 3863 replace Handbook Section 3861, "Financial Instruments – Disclosure and Presentation," revising and enhancing its disclosure requirements and carrying forward, unchanged, its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

(iii) Inventories, Section 3031

Section 3031 relates to the accounting for inventories and revises and enhances the requirements for assigning costs to inventories.

(iv) Goodwill and Intangible Assets, Section 3064

Section 3064 replaces Section 3062, Goodwill and Intangible Assets, and Section 3450, Research and Development Costs. Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This standard is effective for interim and annual

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consolidated financial statements for the Company's fiscal year beginning on or after October 1, 2008, specifically March 1, 2009.

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. On February 13, 2008, the AcCB confirmed that the use of IFRS would be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A calendar year end public company will be required to have prepared in time for its first quarter 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

5 Resource properties

Cove-McCoy property

On June 15, 2006, the Company entered into a "Minerals Lease and Agreement" to lease a portion of the Cove-McCoy Mine project, located in north-central Nevada, from Newmont Mining Corporation ("Newmont"). Under the terms of the agreement, the Company will be subject to escalating yearly work commitments in the aggregate amount of US\$8.5 million over a period of seven years (consisting of US\$300,000, US\$700,000, US\$1,000,000, US\$1,250,000, US\$1,500,000, US\$1,750,000, US\$2,000,000, respectively, in each year of the agreement dated June 15, 2006), of which US\$1 million is a firm obligation and must be expended by June 15, 2008 (completed). Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study for a minimum of 500,000 ounces of gold resources. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. In order to acquire a 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Cove McCoy property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, Victoria will pay a US\$1.5 million cash payment to acquire Newmont's remaining rights to the project and will grant Newmont a sliding scale net smelter return royalty ("NSR") which will be a maximum of 5%, inclusive of any other royalties that apply to the property or portions of the property, for a gold price over US\$500 per ounce.

Mill Canyon, Hilltop-Slaven and Pinson-Preble properties

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

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

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

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Mill Canyon property

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

Hilltop-Slaven property

On June 15, 2003, the Company entered into a mining lease and sublease agreement (amended on August 10, 2004) with Newmont. The agreement allows the Company to earn a 100% interest in the Hilltop-Slaven property by completing the following work commitments: US\$200,000 (completed), US\$300,000 (completed), US\$500,000 (completed), US\$750,000 (completed), US\$750,000, US\$1,000,000 and US\$1,500,000, respectively, in each year of the first seven years of the agreement dated June 15, 2003. The Company has not completed all of the June 15, 2008 work commitments however, Newmont has granted the Company a 2 month extension (to August 15, 2008) with respect to this requirement. After the fifth year of the agreement, the Company must reduce its land position in the Hilltop-Slaven property so that it retains no more than 6,400 acres of the original property. Through a Joint Venture Option, Newmont has a back-in right that it may exercise anytime prior to delivery of a positive feasibility study. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. To earn such a joint venture, Newmont is required to solely fund all of the joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Hilltop-Slaven property from June 15, 2003 to the effective date of the joint venture agreement. If Newmont does not elect to exercise the Joint Venture Option, the Company will deliver to Newmont a 3.5% NSR.

Pinson-Preble property

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

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

Black Canyon property

Effective September 23, 2005, the Company entered into a mining lease agreement with Sleeping Midas, LLC (the "Owners"), whereby the Company will lease and have a right to hold a 100% interest in the Black Canyon gold property located in west-central Nevada, U.S.A. Pursuant to the terms of the

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agreement, the Owners will lease and grant an option to hold 100% of their interest in the Black Canyon property to the Company and retain a 3.5% NSR. This NSR will require the Company to make advance royalty payments beginning with US\$50,000 upon execution of the agreement (paid); US\$50,000 on March 23, 2006 (paid); US\$100,000 on September 23, 2006 (paid), US\$100,000 on September 23, 2007 (paid), US\$125,000 on September 23, 2008 and 2009; and, US\$150,000 on September 23, 2010, and annually thereafter until production commences. The Company also issued 50,000 common shares to the Owners on March 23, 2006 and an additional 50,000 common shares on September 23, 2006. Annual required work commitments will be a minimum of US\$100,000 annually, with excess amounts carried over to subsequent years (as at February 29, 2008, qualifying expenditures totalled approximately US\$1,900,000). The Company is required to pay all costs in order to keep the claims in good standing.

Relief Canyon property

On June 15, 2006, the Company entered into a "Minerals Lease, Sublease and Agreement" to lease the Relief Canyon property from Newmont. Under the terms of the lease, the Company will be subject to escalating yearly work commitments that total US\$3.6 million over a period of 7 years (consisting of US\$150,000, US\$250,000, US\$350,000, US\$500,000, US\$600,000, US\$750,000, US\$1,000,000, respectively, in each year of the first seven years of the agreement dated June 15, 2006), of which US\$400,000 is a firm obligation and must be expended by June 15, 2008 (completed). Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. In order to acquire a 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred on the Relief Canyon property from June 15, 2006 to the effective date of the joint venture agreement. Should Newmont elect not to back-in, the Company is required to make a US\$1.5 million cash payment to acquire Newmont's remaining rights to the project and will grant Newmont a sliding scale NSR of up to 5% based on the price of gold, less any underlying royalties, but subject to a minimum of 2%. Two pre-existing royalties exist, one of which would increase the total royalty to 5.5%, but which covers a single, partial section away from the existing mine. All other sections and unpatented claims are subject to a maximum 5% NSR.

Seven Troughs property

On June 15, 2006, the Company entered into a "Minerals Lease, Sublease and Agreement" with Newmont to lease the Seven Troughs project. The lease provides for work commitments of US\$2.6 million over a period of seven years of which US\$250,000 is a firm contractual obligation of the Company and must be expended by June 15, 2008 (completed).

Newmont has a back-in right that it may exercise anytime prior to the delivery of a positive feasibility study. Upon delivery of such a study Newmont must make a decision with respect to the back-in within 90 days or the back-in right terminates. Should the back-in right be exercised, the property will revert to a 51% Newmont/ 49% Victoria joint venture with Newmont as operator. To earn such a joint venture, Newmont is required to spend, on the property, 250% of the exploration expenditures made by the Company. Should Newmont not back-in, the Company must make a US\$1 million payment and grant a sliding scale 3% to 5% NSR to Newmont, dependent on the price of gold. The royalty paid to Newmont would be less any underlying royalties, subject to a 1% minimum. Any annual minimum royalty payments from underlying agreements shall be paid by the Company.

Summit property

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

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less than US\$500,000. (For example, at an average gold price of US\$635 per ounce, the lump-sum purchase price would be US\$635,000). At the Company's election, the payment can be made as a lump sum or split into yearly payments over a five-year period. The first payment is split into a minimum payment of US\$50,000 after thirty days of the decision to purchase the property and a second minimum payment of US\$50,000 at the first anniversary of the exercise date. Thereafter, all yearly purchase payments in the remaining four years will be a minimum of US\$100,000. All instalment payments will be subject to the then prevailing gold price and may be adjusted upward (but not downward) accordingly at the time they are paid. (For example, if the average gold price is US\$670 per ounce when one of the minimum payments of US\$100,000 is to be made, the payment would be US\$134,000). The property will be subject to a 3.5% NSR with Advanced Royalty payments paid as a function of the then current gold prices on a monthly basis, starting with and escalating by 12 ounces of gold per year until production.

On March 22, 2007, the Company exercised its option to purchase the Summit Property and paid the first instalment of US\$66,012 (based on the then monthly average gold price) within thirty days of exercising its option. On March 22, 2008 the second instalment of US\$96,295 (based on the then monthly average gold price) of the first payment was made. The Company can terminate this agreement by giving ninety days notice to Taminco. Upon termination, all rights, title and interest of the Company under this agreement will be relinquished and the Company will not be required to make any further payments.

6 Asset Retirement Obligations

	Year Ended February 2008	Year Ended February 2007
Balance, beginning of the year	\$ 315,076	\$ 242,532
Obligations incurred during the year	-	67,641
Accretion expense	5,508	4,903
Adjustment of estimated cash flows to carrying value of assets	(107,915)	-
Balance, end of year	212,669	315,076
Less: current portion	-	94,753
Long-term portion	212,669	220,323

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Mill Canyon, Black Canyon, Relief Canyon and Cove-McCoy properties. The total undiscounted amount of the estimated future cash flows required to settle the asset retirement obligation is estimated to be \$271,425. These expenditures are expected to be incurred over the period through 2012. In determining the carrying value of the asset retirement obligations, the Company has assumed a credit-adjusted, risk-free discount rate of 5.0% and a long-term inflation rate of 2.0%.

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7 Share capital

Capital Stock	Year ended February 29, 2008		Year ended February 28, 2007	
	Shares	Amount	Shares	Amount
Balance, beginning of year	67,434,934	\$ 27,789,315	53,032,617	\$ 18,265,340
Issued during the year				
For cash:				
- Warrants exercised	747,326	729,826	1,052,621	805,497
- Agent options exercised	425,709	319,282	739,696	449,772
- Stock options exercised	193,850	103,449	1,260,000	576,000
- Private placements	22,833,333	15,650,010	10,000,000	7,500,000
For property – underlying property payments	-	-	100,000	44,500
For finder's fees on resource properties	-	-	1,250,000	1,062,500
Fair values assigned to warrants issued under private placements	-	(4,288,511)	-	(716,031)
Fair values allocated to common shares upon exercise:				
Stock options	-	72,185	-	168,892
Purchase warrants	-	118,676	-	86,368
Agent options	-	92,052	-	102,387
Share issuance costs	-	(981,693)	-	(555,910)
Balance, end of year	91,635,152	\$ 39,604,591	67,434,934	\$ 27,789,315

During the year ended February 29, 2008, 747,326 share purchase warrants (677,326 at \$1.00 and 70,000 at \$0.75), 425,709 Agents' warrants (at \$0.75), and 193,850 stock options (93,850 at \$0.74 and 100,000 at \$0.34) were exercised for total proceeds of \$1,152,557.

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

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annual interest rate of 3.98%, an expected life of eighteen months, an expected volatility of 91%, and a dividend yield rate of nil. The fair value of the broker warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 3.98%, an expected life of one year, an expected volatility of 94%, and a dividend yield rate of nil. All securities issued pursuant to the private placement bear a four month hold period which expires on March 8, 2008.

On July 31, 2007, the Company closed a non-brokered private placement of 3,333,333 Units (the "Units") priced at \$0.60 per Unit, for gross proceeds of \$2 million. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.75 for a two-year period until July 31, 2009. The Company paid a cash finder's fee in the amount of \$5,880. EastWest Gold, purchased 850,000 units. Chad Williams, President, CEO and Director of the Company purchased 792,333 units of the offering. For accounting purposes, the Company has allocated \$516,168 of the proceeds received from the sale of the units to the share purchase warrants issued based on their estimated fair value. The fair value of the warrants were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 3.40%, an expected life of two years, an expected volatility of 83%, and a dividend yield rate of nil. All securities issued pursuant to the private placement bear a four month hold period which expired on December 1, 2007.

On May 16, 2006, the Company closed a brokered private placement of 10 million units priced at \$0.75 per unit for gross proceeds of \$7.5 million. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole warrant was exercisable to purchase one common share at an exercise price of \$1.00 until May 16, 2007. EastWest Gold purchased 3 million units of this private placement. Haywood Securities Inc. and Canaccord Capital Corporation (collectively, the "Agents") acted as co-agents on this financing and were paid a cash commission of \$315,000. In addition, the Agents received compensation warrants entitling them to purchase 700,000 units at a price of \$0.75 per unit until May 16, 2007. These units had the same terms as those issued to investors except the warrants were non-transferable. The Agents also received a \$10,000 corporate finance fee in connection with the private placement. For accounting purposes, the Company has allocated \$716,031 of the proceeds received from the sale of the units to the share purchase warrants issued based on their estimated fair value. In addition, the Company has assigned a fair value of \$201,485 to the Agents' options issued and has treated this amount as an issuance cost of the offering. The fair values of the warrants and agent options were calculated using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 4%, an expected life of one year, an expected volatility of 70%, and a dividend yield rate of nil.

On May 2, 2006, the Company issued a total of 1.25 million common shares at a value of \$0.85 per share in connection with the acquisition of the rights and interests in the Mill Canyon, Hilltop-Slaven and Pinson-Preble properties.

The Company issued 50,000 common shares on March 17, 2006 and a further 50,000 common shares on September 23, 2006, with fair values of \$0.51 and \$0.38 per share respectively, in connection with the acquisition of the rights and interests in the Black Canyon property.

8 Stock options and warrants

Stock options

The Company has adopted a stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. One-eighth of options granted under the plan will vest immediately; a further one-eighth will vest after each three month period thereafter, with the remaining one-quarter vesting after eighteen months from the date of grant. At February 29, 2008, 3,452,365 stock options were available for grant.

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On January 22, 2008 the Company granted 150,000 incentive stock options with an exercise price of \$1.00 per option to an employee of the Company. The stock options have a term of five years and expire on January 22, 2013. The fair value of these options totalling \$83,736 will be recognized over the vesting periods, of which \$19,596 has been recognized as at February 29, 2008. The fair value of these options was calculated based on a risk-free annual interest rate of 3.2%, an expected life of 3 years, an expected volatility of 86% and a dividend yield rate of nil. This results in an estimated value of \$0.56 per option at the grant date using the Black-Scholes option-pricing model.

On October 25, 2007 the Company granted 900,000 incentive stock options with an exercise price of \$0.70 per option to officers and a consultant of the Company. The closing price of the Company's stock on October 24, 2007 was \$0.80 per share therefore the exercise price was set at a discount to market price. The stock options have a term of five years and expire on October 23, 2012. The fair value of these options totalling \$599,276 (\$199,759 will be expensed and \$399,517 will be capitalized to properties) will be recognized over the vesting periods, of which \$311,290 (\$103,763 has been expensed and \$207,527 has been capitalized to properties) has been recognized as at February 29, 2008. The fair value of these options was calculated based on a risk-free annual interest rate of 4.2%, an expected life of 5 years, an expected volatility of 115% and a dividend yield rate of nil. This results in an estimated value of \$0.67 per option at the grant date using the Black-Scholes option-pricing model.

On September 17, 2007 the Company granted 690,000 incentive stock options with an exercise price of \$0.65 per option to employees of the Company. The stock options have a term of five years and expire on September 17, 2012. The fair value of these options totalling \$231,694 will be recognized over the vesting periods and will be capitalized to resource properties, of which \$135,959 has been recognized as at February 29, 2008. The fair value of these options was calculated based on a risk-free annual interest rate of 4.3%, an expected life of 3 years, an expected volatility of 81% and a dividend yield rate of nil. This results in an estimated value of \$0.34 per option at the grant date using the Black-Scholes option-pricing model.

On August 20, 2007, the Company granted 1.9 million incentive stock options with an exercise price of \$0.60 per option to directors and an officer of the Company. The stock options have a term of five years and expire on August 20, 2012. The fair value of these options totalling \$915,175 will be recognized over the vesting periods, of which \$641,258 has been recognized as at February 29, 2008. The fair value of these options was calculated based on a risk-free annual interest rate of 4.3%, an expected life of 5 years, an expected volatility of 115% and a dividend yield rate of nil. This results in an estimated value of \$0.48 per option at the grant date using the Black-Scholes option-pricing model.

On April 21, 2006, the Company granted 1.95 million incentive stock options with an exercise price of \$0.74 per option to directors, officers, and employees of the Company. The stock options have a term of five years and expire on April 20, 2011. The fair value of these options totalling \$924,198 was recognized over the vesting periods, of which \$665,422 was expensed and \$258,776 was capitalized to resource properties. The fair value of these options was estimated at \$0.47 per option at the grant date using the Black-Scholes option-pricing model based on a risk-free annual interest rate of 4.0%, an expected life of 3 years, an expected volatility of 96% and a dividend yield rate of nil.

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.

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

	Number of outstanding options	Weighted- average exercise price	Fair value assigned
Stock options outstanding at February 28, 2006	1,725,000	\$0.56	673,565
Granted	1,950,000	\$0.74	924,300
Exercised	(1,260,000)	\$0.46	(422,530)
Cancelled or expired	(175,000)	\$0.74	(83,075)
Stock options outstanding at February 28, 2007	2,240,000	\$0.76	1,092,260
Granted	3,640,000	\$0.65	1,830,740
Exercised	(193,850)	\$0.53	(72,185)
Cancelled or expired	(75,000)	\$0.65	(25,200)
Stock options outstanding at February 29, 2008	5,611,150	\$0.70	2,825,615

Stock options outstanding and exercisable as at February 29, 2008 are as follows:

Exercise price	Number of outstanding stock options	Expiry Date	Number of exercisable stock options
\$0.91	350,000	May 20, 2008	350,000
\$0.76	40,000	February 2, 2009	40,000
\$0.99	100,000	February 27, 2009	100,000
\$0.74	1,556,150	April 20, 2011	1,556,150
\$0.60	1,900,000	August 20, 2012	712,500
\$0.65	615,000	September 17, 2012	153,750
\$0.70	900,000	October 23, 2012	225,000
\$1.00	150,000	January 22, 2013	18,750
	5,611,150		3,156,150

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Warrants

The following table summarizes information about the warrants outstanding as at February 29, 2008 and February 28, 2007. In addition, as at February 29, 2008, 1,007,520 Agents' options were outstanding entitling the Agents to purchase up to an aggregate of 1,007,520 units of the Company, at a price of \$0.74 per unit with an expiry date of November 7, 2008.

	Number of outstanding warrants	Weighted- average exercise price	Fair value assigned
Warrants outstanding at February 28, 2006	3,636,363	\$0.75	283,938
Issued	5,350,000	\$1.00	766,153
Exercised	(1,052,621)	\$0.76	(86,368)
Cancelled or expired	(2,647,866)	\$0.75	(206,753)
Warrants outstanding at February 28, 2007	5,285,876	\$1.00	756,970
Issued	11,416,666	\$0.84	4,288,511
Exercised	(747,326)	\$0.96	(118,676)
Cancelled or expired	(4,608,550)	\$1.00	(659,973)
Warrants outstanding at February 29, 2008	11,346,666	\$0.84	4,266,832

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

Value assigned to stock/ agent options and share purchase warrants	Year Ended February 2008	Year Ended February 2007
Balance, beginning of the year	\$ 2,090,075	\$ 818,746
In connection with the May 16, 2006 private placements:		
Fair value of share purchase warrants	-	716,031
Fair value of Agent options	-	201,485
Issuance costs	-	(52,371)
In connection with the July 31, 2007 private placements:		
Fair value of share purchase warrants	516,168	-
In connection with the November 7, 2007 private placements:		
Fair value of share purchase warrants	3,772,343	-
Fair value of Agent options	374,454	-
Issuance costs	(374,476)	-
Stock-based compensation, expensed	880,155	549,958
Stock-based compensation, capitalized to resource properties	379,935	213,873
Fair values allocated to common shares upon exercise:		
Stock options	(72,185)	(168,892)
Purchase warrants	(118,676)	(86,368)
Agent options	(92,052)	(102,387)
Balance, end of the year	\$ 7,355,741	\$ 2,090,075

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9 Supplementary cash flow information

Supplementary disclosure of cash flow information is provided in the tables below:

	2008	2007
Non-cash investing and financing activities		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 630,416	\$ 1,012,184
Common shares issued for underlying property payments and property finders' fee	\$ -	\$ 1,107,000
Fair value assigned to Agent options and warrants (Note 7)	\$ 374,454	\$ 201,485
Stock-based compensation, capitalized to resource properties (Note 8)	\$ 379,935	\$ 213,873
Asset retirement obligations adjusted to resource properties	\$ (107,915)	\$ -
Income taxes paid	\$ -	\$ -
Interest paid	\$ 107,923	\$ -

10 Related party transactions

EastWest Gold provided management, administrative and technical services, including all geological assessments, to the Company until February 27, 2007. Subsequent to this date, EastWest Gold has provided administrative services only. Effective February 27, 2007, B2Gold Corporation ("B2Gold") (a private company formed by the former executives of Bema), a company which had common directors with Victoria, provided management services to the Company on a month-to-month basis until July 31, 2007. On August 3, 2007, Victoria announced the election of a new Board of Directors effectively ending the relationship with the common directors of B2Gold.

For the years ended February 29, 2008 and February 28, 2007, the Company had the following transactions (recorded at exchange value) and balances with EastWest Gold:

	2008	2007
Consolidated Statements of Loss		
Interest expense on notes payable	\$ 94,851	\$ 153,850
Accounting	67,600	92,175
Office and administration	-	53,714
Rent and utilities	-	28,800
Management fees	-	18,000
Shareholder information	-	14,756
	\$ 162,451	\$ 361,295
Consolidated Balance Sheets		
Accounts payable	\$ -	\$ 168,912
Project management and field work on resource properties	\$ -	\$ 3,339

The note payable, including accrued interest, was repaid in full on November 28, 2007 in the amount of \$1,280,303 (February 28, 2007 - \$1,406,859). The note was denominated in U.S. dollars and represented advances from EastWest Gold, bearing interest at the US prime lending rate plus 2%.

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For the years ended February 29, 2008 and February 28, 2007, the Company had the following transactions (recorded at exchange value) with B2Gold:

	2008	2007
Consolidated Statements of Loss		
Office and administration	\$ 15,200	\$ -
Accounting	8,800	-
Rent and utilities	9,600	-
Management fees	6,000	-
	\$ 39,600	\$ -

11 Income taxes

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

	Year Ended February 29, 2008	Year Ended February 28, 2007
Net Loss before taxes	\$ 1,514,582	\$ 3,548,684
Income tax provision (recovery) at average statutory rates	\$ (517,124)	\$ (1,210,811)
Permanent differences	300,309	260,619
Adjustment for future taxes	164,042	-
Other	(13,592)	(66,828)
Change in valuation allowance	66,365	1,017,020
Provision for (recovery of) income taxes	\$ -	\$ -

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

	February 29, 2008	February 28, 2007
Non-capital losses	\$ 1,003,359	\$ 931,857
Resource properties	836,754	1,006,529
Share issue costs	291,506	126,868
	\$ 2,131,619	\$ 2,065,254
Valuation allowance	\$ (2,131,619)	\$ (2,065,254)
Future income tax	\$ -	\$ -

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The Company has gross Canadian non-capital tax losses of \$2,013,691 which expire beginning 2009 until 2028. The Company has gross US non-capital tax losses of US\$1,387,990 which expire beginning 2013 until 2028.

12 Commitments

Operating Leases

At February 29, 2008, Victoria has future minimum annual operating lease commitments for office premises in Toronto, Ontario, Canada, which commenced in January 2008 and Reno, Nevada, USA, which commenced in August 2006, as follows:

		CAN\$	US\$
to February 28, 2009	\$	69,715	77,992
to February 28, 2010		95,631	33,575
to February 28, 2011		98,684	-
to February 29, 2012		101,807	-
to February 28, 2013 and thereafter		113,913	-
Total	\$	479,750	111,567

13 Financial Instruments

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities. Reclamation bonds reflect cash on deposits and their discounted carrying value approximates their fair value.

a) Credit Risk

Certain of the Company's financial assets are exposed to credit risk. Cash and cash equivalents consist of deposits and short-term treasury funds with major commercial banks.

Credit risk relating to accounts receivable and bonds arises from the possibility that any counterparty to an instrument fails to perform. The Company's receivables relate to recoveries of GST and the reclamation bonds relate to deposits held with governmental agencies representing the state of Nevada and joint venture partners. 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) Foreign Exchange 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 net of US dollar cash holdings may be adversely impacted by fluctuations in foreign exchange. The Company does not undertake currency hedging activities.

14 Segmented information

The Company's principal activity is the exploration and development of mineral properties. The Company's resource properties are located in the United States as disclosed in *Note 5*.

The Company held US\$476,668 in US denominated cash at February 29, 2008 (US\$228,017 at February 28, 2007) and US\$408,242 in US denominated reclamation bonds at February 29, 2008 (US\$332,854 at February 28, 2007).

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15 Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the presentation adopted for the current year.