



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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

For the three months ended May 31, 2008
(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, 2008, and February 29, 2008, 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, 2008, and 2007, 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 for interim financial statements.

The Company’s independent auditor, Pricewaterhouse Coopers LLP, has not performed a review of these financial statements.

VICTORIA GOLD CORP.
(an exploration stage company)

CONSOLIDATED BALANCE SHEETS
(expressed in Canadian dollars)
(unaudited)

	As at May 31 2008	As at February 29 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 9,084,445	\$ 9,922,962
Accounts receivable	206,865	18,851
Prepaid expenses	60,676	5,819
	9,351,986	9,947,632
Resource properties (Note 5 and Schedule)	27,992,498	26,529,142
Reclamation bonds	405,874	399,996
	\$ 37,750,359	\$ 36,876,770
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 146,654	\$ 769,113
Asset retirement obligations (Note 6)	-	-
	146,654	769,113
Long-term		
Asset retirement obligations (Note 6)	212,669	212,669
	359,322	981,782
SHAREHOLDERS' EQUITY		
Capital stock (Note 7)		
Authorized		
Unlimited number of common shares, without par value		
Issued		
93,545,152 common shares (February 29, 2008 – 91,635,152)	42,046,412	39,604,591
Value assigned to stock/ agent options and share purchase warrants (Note 8)	6,833,603	7,355,741
Deficit	(11,488,979)	(11,065,344)
	37,391,037	35,894,988
	\$ 37,750,359	\$ 36,876,770
Going concern (Note 1)		
Nature of operations (Note 2)		
Commitments (Note 11)		

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

(See accompanying notes to consolidated financial statements)

VICTORIA GOLD CORP.
(an exploration stage company)

**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE
LOSS AND DEFICIT
FOR THE PERIODS ENDED MAY 31**
(expressed in Canadian dollars)

	2008	2007
Expenses		
Stock-based compensation (Note 8)	\$ 175,138	\$ 58,231
Salary	173,716	3,000
Office and administrative	113,542	69,725
Marketing	39,791	2,147
Legal	15,132	3,459
Interest and bank charges	1,888	35,559
Write-off of Pinson-Preble property	-	19,318
Loss before the undernoted expenses (income)	519,208	191,439
Foreign exchange loss/ (gain)	(41,651)	(148,504)
Interest income	(53,922)	(23,446)
Net loss and comprehensive loss for the year	423,635	19,489
Deficit, beginning of year	11,065,344	9,550,762
Deficit, end of year	\$ 11,488,979	\$ 9,570,251
Basic and diluted loss per common share	\$ 0.005	\$ 0.000
Weighted average number of common shares outstanding	92,466,837	68,202,121
Going concern (Note 1)		

(See accompanying notes to consolidated financial statements)

VICTORIA GOLD CORP.
(an exploration stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MAY 31
(expressed in Canadian dollars)

	2008	2007
Operating activities		
Net loss for the year	\$ (423,635)	\$ (19,489)
Items not affecting cash:		
Write-off of resource properties	-	19,318
Stock-based compensation	175,138	58,231
Accrued interest expense	-	34,613
Accretion expense of asset retirement obligations	-	-
Net, unrealized, foreign exchange loss/ (gain)	(20,717)	(75,407)
Changes in non-cash working capital:		
Accounts receivable	(188,014)	3,620
Prepaid expenses	(54,857)	(59,592)
Accounts payable	(624,474)	1,709
	(1,136,558)	(36,997)
Financing activities		
Common shares issued for cash, net of issue costs	-	-
Common shares issued on exercise of warrants and options	1,639,005	996,608
	1,639,005	996,608
Investing activities		
Resource properties	(1,355,803)	(1,670,034)
Reclamation bonds	-	-
	(1,355,803)	(1,670,034)
Foreign exchange gain (loss) on cash held in foreign currency	14,838	(13,668)
Increase in cash and cash equivalents	(838,518)	(724,091)
Cash and cash equivalents, beginning of year	9,922,962	2,458,476
Cash and cash equivalents, end of year	\$ 9,084,445	\$ 1,734,385

Supplementary cash flow information (Note 9)

(See accompanying notes to consolidated financial statements)

1 Going concern

At May 31, 2008, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of \$9,205,333 (compared with a surplus of \$9,178,519 at February 29, 2008) and reported a net loss for the quarter of \$423,635 (a loss \$19,489 was reported for the quarter ended May 31, 2007). 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 July 18, 2008, the Company changed its name from Victoria Resource Corporation to Victoria Gold Corp.. Victoria continues to be a Canadian company incorporated in the Province of British Columbia.

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 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

VICTORIA GOLD CORP.
(an exploration stage company)

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 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:

- monetary items are translated at the rates prevailing at the balance sheet dates;
- non-monetary items are translated at historical rates;

VICTORIA GOLD CORP.
(an exploration stage company)

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

(i) Capital Disclosures, Section 1535

Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and, (iv) if it has not complied, the consequences of such non-compliance. The disclosures required by adoption of this section are presented in Note 14 – Management of Capital.

(ii) Financial Instruments, Sections 3862 and 3863

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

VICTORIA GOLD CORP.
(an exploration stage company)

manages those risks. The disclosures required by adoption of this section are presented in Note 12 – Financial instruments and risk management.

(iii) Inventories, Section 3031

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

Future accounting changes

Goodwill and Intangible Assets, Section 3064

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

Victoria currently has interests in eight gold exploration projects located in Nevada covering an area of more than 100,000 acres. The Company either holds or can earn a 100% interest in each of the properties. Five of the properties are joint ventures with Newmont Mining Corporation ("Newmont") who hold back-in rights for 50% or 51% on each of the properties. All of the properties are subject to royalties upon certain conditions. For more information on the joint venture agreements, royalties, property locations and other property details please see the Company's website at www.victoriaresourcecorp.com and the year-ended February 29, 2008 Financial Statements and Management's Discussion and Analysis which are posted on www.sedar.com.

6 Asset Retirement Obligations

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

The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with the Mill Canyon, Black Canyon, Relief Canyon and Cove-McCoy properties. The total undiscounted amount of the estimated future cash flows required to settle the asset retirement obligation is estimated to be \$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%.

VICTORIA GOLD CORP.
(an exploration stage company)

7 Share capital

Capital Stock	Three months ended May 31, 2008		Year ended February 29, 2008	
	Shares	Amount	Shares	Amount
Balance, beginning of year	91,635,152	\$ 39,604,591	67,434,934	\$ 27,789,315
Issued during the year				
For cash:				
- Warrants exercised	1,535,000	1,304,255	747,326	729,826
- Agent options exercised	-	-	425,709	319,282
- Stock options exercised	375,000	334,750	193,850	103,449
- Private placements	-	-	22,833,333	15,650,010
Fair values assigned to warrants issued under private placements	-	-	-	(4,288,511)
Fair values allocated to common shares upon exercise:				
Stock options	-	209,300	-	72,185
Purchase warrants	-	593,516	-	118,676
Agent options	-	-	-	92,052
Share issuance costs	-	-	-	(981,693)
Balance, end of year	93,545,152	\$ 42,046,412	91,635,152	\$ 39,604,591

During the quarter ended May 31, 2008, 1,535,000 share purchase warrants (1,530,000 at \$0.85 and 5,000 at \$0.75), and 375,000 stock options (25,000 at \$0.65 and 350,000 at \$0.91) were exercised for total proceeds of \$1,639,005.

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

VICTORIA GOLD CORP.
(an exploration stage company)

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

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

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 May 31, 2008, 5,182,640 stock options were available for grant.

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-

VICTORIA GOLD CORP.
(an exploration stage company)

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.

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:

	Number of outstanding options	Weighted- average exercise price	Fair value assigned
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
Granted	-		-
Exercised	(375,000)	\$0.89	(209,300)
Cancelled or expired	(1,046,150)	\$0.74	(496,075)
Stock options outstanding at May 31, 2008	4,190,000	\$0.67	2,120,240

Stock options outstanding and exercisable as at May 31, 2008 are as follows:

Exercise price	Number of outstanding stock options	Expiry Date	Number of exercisable stock options
\$0.99	100,000	February 27, 2009	100,000
\$0.74	550,000	April 20, 2011	550,000
\$0.60	1,900,000	August 20, 2012	950,000
\$0.65	590,000	September 17, 2012	221,250
\$0.70	900,000	October 23, 2012	337,500
\$1.00	150,000	January 22, 2013	37,500
	4,190,000		2,196,250

VICTORIA GOLD CORP.
(an exploration stage company)

Warrants

The following table summarizes information about the warrants outstanding as at May 31, 2008 and February 29, 2008. In addition, as at May 31, 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, 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
Issued	-		-
Exercised	(1,535,000)	\$0.85	(593,516)
Cancelled or expired	-		-
Warrants outstanding at February 29, 2008	9,811,666	\$0.83	3,673,316

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	Quarter Ended May 2008	Year Ended February 2008
Balance, beginning of the year	\$ 7,355,741	\$ 2,090,075
In connection with the July 31, 2007 private placements:		
Fair value of share purchase warrants	-	516,168
In connection with the November 7, 2007 private 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	175,138	880,155
Stock-based compensation, capitalized to resource properties	105,540	379,935
Fair values allocated to common shares upon exercise:		
Stock options	(209,300)	(72,185)
Purchase warrants	(593,516)	(118,676)
Agent options	-	(92,052)
Balance, end of the year	\$ 6,833,603	\$ 7,355,741

9 Supplementary cash flow information

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

	Quarter Ended May 2008	Year Ended February 2008
Non-cash investing and financing activities		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 2,014	\$ 630,416
Fair value assigned to Agent options and warrants (Note 8)	\$ -	\$ 374,454
Stock-based compensation, capitalized to resource properties (Note 8)	\$ 105,540	\$ 379,935
Asset retirement obligations adjusted to resource properties	\$ -	\$ (107,915)
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ 107,923

10 Related party transactions

During the quarter ended May 31, 2008, Raul Madrid, an officer of the Company, exercised options to purchase 200,000 common shares of the Company at 0.91 per share. As at May 31, 2008, the funds for this purchase had not been received and have been included in accounts receivable.

For the three months ended May 31, 2008 and 2007, the Company had the following transactions (recorded at exchange value) and balances with Mr. Madrid:

	2008	2007
Consolidated Balance Sheets		
Accounts receivable	\$ 182,000	\$ -

The outstanding receivable at May 31, 2008, from Mr. Madrid was paid in full on June 13, 2008.

VICTORIA GOLD CORP.
(an exploration stage company)

During the quarter ended May 31, 2007, EastWest Gold provided administrative services while B2Gold Corporation (“B2Gold”), a company which had common directors with Victoria, provided management services to the Company.

For the three months ended May 31, 2008 and 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	\$ -	\$ 34,613
Accounting	-	22,500
	<u>\$ -</u>	<u>\$ 57,113</u>
Consolidated Balance Sheets		
Accounts payable	\$ -	\$ 252,696

Notes payable represent advances from EastWest Gold during fiscal 2006 and 2007, bearing interest at the US prime lending rate plus 2%. There is no interest expense for the three months ended May 31, 2008, as the note payable, including accrued interest, was repaid in full on November 28, 2007 in the amount of \$1,280,303.

For the three months ended May 31, 2008 and 2007, the Company had the following transactions (recorded at exchange value) with B2Gold:

	2008	2007
Consolidated Statements of Loss		
Office and administration	\$ -	\$ 7,600
Accounting	-	4,400
Rent and utilities	-	4,800
Management fees	-	3,000
	<u>\$ -</u>	<u>\$ 19,800</u>

11 Commitments

Operating Leases

At May 31, 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	58,834
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	<u>\$ 479,750</u>	<u>92,409</u>

12 Financial instruments and risk management

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 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 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 a receivable from one of the Company's officers while 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 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.

13 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\$1,584,204 in US denominated cash at May 31, 2008, (US\$36,064 at May 31, 2007) and US\$408,242 in US denominated reclamation bonds at May 31, 2008 (US\$332,854 at May 31, 2007).

14 Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at May 31, 2008, the Company had no bank debt.

Victoria is currently exploring its properties in the United States and based on current plans and estimates, management believes that the Company's working capital position should be sufficient to satisfy the related financial costs.

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, 2008.

15 Comparative figures

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