Victoria GOLD CORP

(an exploration and development stage company)

Consolidated Financial Statements

February 29, 2012 and February 28, 2011

(Expressed in Canadian Dollars)

June 26, 2012

Independent Auditor's Report

To the Shareholders of
Victoria Gold Corp.

We have audited the accompanying consolidated financial statements of Victoria Gold Corp., which comprise the consolidated statements of financial position as at February 29, 2012 and February 28, 2011 and March 1, 2010 and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years ended February 29, 2012 and February 28, 2011, and the related notes, which comprise a summary of significant accounting policies.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Victoria Gold Corp. as at February 29, 2012 and February 28, 2011 and March 1, 2010 and its financial performance and its cash flows for the years ended February 29, 2012 and February 28, 2011 in accordance with IFRS.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Victoria Gold Corp.'s ability to continue as a going concern.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

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 International Financial Reporting Standards ("IFRS") and IFRS 1 "First time adoption of IFRS." Financial statements include certain amounts based on estimates and judgments. 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 three Directors, all of whom are non-management and independent, meets with management to review the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "John McConnell"
Director, President and CEO
June 26, 2012

(signed) "Marty Rendall"
CFO
June 26, 2012

Victoria Gold Corp.
Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)	*Notes*	February 29, 2012	February 28, 2011	March 1, 2010
			(Note 18)	*(Note 18)*
Assets				
Current assets				
Cash and cash equivalents		$ 19,663,714	$ 25,666,536	$ 19,846,495
Marketable securities	*5*	404,350	162,850	473,002
HST and other receivables		373,512	696,922	276,192
Prepaid expenses		516,946	567,586	191,849
		20,958,522	27,093,894	20,787,538
Assets held for sale	*8, 21*	29,084,395	-	-
Non-current assets				
Restricted cash		838,133	718,970	826,389
Investment in associate	*6*	1,040,962	2,859,887	-
Property and equipment	*7*	6,025,612	5,460,467	975,441
Resource properties	*8*	69,807,669	66,021,635	51,483,530
Total assets		$ 127,755,293	$ 102,154,853	$ 74,072,898
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities		$ 4,845,724	$ 2,300,914	$ 4,034,846
Current portion of ARO	*10*	85,995	22,558	24,381
		4,931,719	2,323,472	4,059,227
Non-current liabilities				
Asset retirement obligations ("ARO")	*10*	986,458	1,171,482	889,460
Total liabilities		5,918,177	3,494,954	4,948,687
Shareholders' Equity				
Share capital	*11*	151,388,890	124,138,662	89,369,899
Contributed surplus	*12*	11,501,792	9,548,664	9,362,665
Accumulated other comprehensive loss		(3,358,803)	(2,906,060)	-
Accumulated deficit		(37,694,763)	(32,121,367)	(29,608,353)
Total shareholder's equity		121,837,116	98,659,899	69,124,211
Total liabilities and equity		$ 127,755,293	$ 102,154,853	$ 74,072,898

Nature of operations and going concern *(Note 1)*

See accompanying notes to the consolidated financial statements.

Authorized for issue by the Board of Directors on June 26th, 2012 and signed on its behalf. **"Hugh Agro"** Director **"Chris Hill"** Director

Victoria Gold Corp.
Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)	Notes	For the years ended February 29, 2012	February 28, 2011
			(Note 18)
Operating expenses			
Salaries and benefits excluding share-based payments		$ 1,554,400	$ 1,399,548
Share-based payments	*12*	1,129,007	668,066
Office and administrative		770,398	588,332
Legal and accounting		389,048	404,313
Marketing		342,316	394,744
Consulting		296,799	144,193
Amortization		21,516	56,691
Foreign exchange loss (gain)		(118,951)	314,761
Premium on flow-through shares		(691,481)	(820,000)
Resource property costs and impairments	*8*	-	2,761
Gain on disposal of resource properties		-	(902,292)
Gain on disposal of short term investment		-	(18,788)
		3,693,052	2,232,329
Finance (income)/costs			
Unwinding of present value discount: ARO		44,403	-
Interest and bank charges		5,627	21,356
Interest income		(139,541)	(188,532)
Change in fair value of marketable securities		65,000	4,577
		(24,511)	(162,599)
Share of net loss of associate	*6*	377,733	443,284
Impairment of investment in associate	*6*	1,527,122	-
Net loss		(5,573,396)	(2,513,014)
Other Comprehensive income (loss)			
Currency translation adjustment		(538,673)	(2,906,060)
Share of other comprehensive income of associate		85,930	-
Total comprehensive loss for the year		$ (6,026,139)	$ (5,419,074)
Loss per share - basic and diluted	*13*	$ (0.019)	$ (0.010)
Weighted average number of shares			
Basic and diluted		296,235,060	254,418,707

See accompanying notes to the consolidated financial statements.

Victoria Gold Corp.
Consolidated Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

	Notes	Share capital: Number of shares	Share capital: Amount	Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total equity
Balance at March 1, 2010		225,166,505	$ 89,369,899	$ 9,362,665	$ -	$(29,608,353)	$ 69,124,211
Transactions with owners:							
Proceeds from share issue		45,212,500	33,083,750				33,083,750
Proceeds from warrants exercised		4,177,950	2,480,895				2,480,895
Proceeds from agents options exercised		193,307	86,988				86,988
Proceeds from stock options exercised		2,172,000	1,085,825				1,085,825
Fair values allocated upon exercise:							
Stock options			583,837	(583,837)			-
Warrants			563,205	(563,205)			-
Agents' options			27,559	(27,559)			-
Share issuance costs			(2,323,296)				(2,323,296)
Share-based payments, expensed				668,066			668,066
Share-based payments, capitalized				692,534			692,534
Premium on flow-through shares			(820,000)				(820,000)
Total transactions with owners:		51,755,757	34,768,763	185,999	-	-	34,954,762
Net loss for the year						(2,513,014)	(2,513,014)
Other comprehensive income/(loss):							
Currency translation adjustment					(2,906,060)		(2,906,060)
Balance at February 28, 2011	*11*	276,922,262	$124,138,662	$ 9,548,664	$ (2,906,060)	$(32,121,367)	$ 98,659,899
Transactions with owners:							
Proceeds from share issue		62,337,336	30,075,000	-		-	30,075,000
Proceeds from stock options exercised		105,000	40,075	-		-	40,075
Fair values allocated upon exercise:							
Stock options			15,226	(15,226)			-
Share issuance costs			(2,188,592)				(2,188,592)
Share-based payments, expensed				1,129,007			1,129,007
Share-based payments, capitalized				839,347			839,347
Premium on flow-through shares			(691,481)				(691,481)
Total transactions with owners:		62,442,336	27,250,228	1,953,128	-	-	29,203,356
Net loss for the year						(5,573,396)	(5,573,396)
Other comprehensive income/(loss):							
Share of other comprehensive income of associate					85,930		85,930
Currency translation adjustment					(538,673)		(538,673)
Balance at February 29, 2012	*11*	339,364,598	$151,388,890	$ 11,501,792	$ (3,358,803)	$(37,694,763)	$121,837,116

See accompanying notes to the consolidated financial statements.

Victoria Gold Corp.
Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)	*Notes*	For the years ended February 29, 2012	February 28, 2011 *(Note 18)*
Cash flows from operating activities			
Net loss before tax for the year		$ (5,573,396)	$ (2,513,014)
Adjustments for:			
Resource property impairments	*8*	-	2,761
Share-based payments	*12*	1,129,007	668,066
Gain on sale of property		-	(902,292)
Share of net loss of associate		377,733	443,284
Premium on flow through shares		(691,481)	(820,000)
Impairment in associate		1,527,122	-
Unwinding of present value discount: ARO	*10*	44,403	34,470
Change in fair value of marketable securities		65,000	4,577
Amortization		21,516	56,691
Net unrealized foreign exchange loss		129,562	403,276
		(2,970,534)	(2,622,181)
Working capital adjustments:			
(Increase) decrease in HST and other receivables		323,410	(478,287)
(Increase) decrease in marketable securities		(306,500)	274,075
(Increase) decrease in prepaid expenses		(31,041)	19,835
Increase (decrease) in accounts payables and accrued liabilities		(63,801)	(533,722)
		(77,932)	(718,099)
Net cash flows from (used in) operating activities		(3,048,466)	(3,340,280)
Cash flows used in investing activities			
Resource properties	*8*	(29,403,127)	(19,869,031)
Restricted cash		(179,282)	(46,854)
Purchase of property and equipment		(1,339,739)	(5,088,953)
Net cash flows used in investing activities		(30,922,148)	(25,004,838)
Cash flows from financing activities			
Shares issued for cash, net of issuance cost		27,886,408	30,760,454
Exercise of warrants and options	*11 & 12*	40,075	3,653,708
Net cash flows from financing activities		27,926,483	34,414,162
Foreign exchange gain (loss) on cash balances		41,309	(249,003)
Net (decrease) increase in cash and cash equivalents		(6,002,822)	5,820,041
Cash and cash equivalents, beginning of the year		25,666,536	19,846,495
Cash and cash equivalents, end of the year		$ 19,663,714	$ 25,666,536

See accompanying notes to the consolidated financial statements. Supplementary Cash Flow information is Note 20.

1. NATURE OF OPERATIONS AND GOING CONCERN

Victoria Gold Corp. ("Victoria" or "the Company"), a British Columbia company, was incorporated in accordance with the Business Corporations Act (British Columbia) on September 21, 1981. The Company's common shares are listed on the TSX-V.

The Company is engaged in the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties and is considered to be an exploration and development stage company. The Company's registered office is located at 80 Richmond St. West, Suite 303, Toronto, Ontario, M5H 2A4, Canada.

The recoverability of the amounts shown for resource 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 these assets.

At February 29, 2012, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of $16,026,803 (compared with a surplus of $24,770,422 at February 28, 2011), reported a net loss of $5,573,396 (2011 - $2,513,014) and accumulated deficit of $37,694,763 ($32,121,367 at February 28, 2011). The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements and fulfil its planned exploration programme. The Company periodically seeks financing to continue the exploration and development of its resource properties and to meet its on-going administrative requirements. Although the Company has been successful in raising funds to date (See *Note 11*), there can be no assurances that additional funding will be available in the future. These combined factors lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements have been prepared using IFRS 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 for the foreseeable future. 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.

2. BASIS OF PRESENTATION

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

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

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

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

During the year, the Company dissolved StrataGold (Barbados) Corporation, a Barbados corporation and Tassawini Gold (Barbados) Corporation, a Barbados corporation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, these are the Company's first annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These consolidated financial statements have been prepared in accordance with IFRS. Subject to certain transition elections and exceptions disclosed in Note 18, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at March 1, 2010 throughout all periods presented, as if these policies had always been in effect. Note 18 discloses the impact of the transition to IFRS on the Company's reported equity and loss and comprehensive loss, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended February 28, 2011 prepared under Canadian GAAP.

These financial statements were approved by the Board of Directors for issue on June 26, 2012.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for the revaluation of certain financial instruments to fair value.

(c) Consolidation

Subsidiaries are entities over which the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases. Accounting policies of the subsidiaries are consistent with those of the Company. All inter-company balances and transactions have been eliminated.

(d) Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense or capitalized is adjusted to reflect the actual number of share options that are expected to vest.

(e) Deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized through earnings, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(f) Flow-through shares

Under Canadian income tax legislation, the Company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company has adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The allocation of the proceeds is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

(g) Property and equipment

Property and equipment (“PPE”) are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company provides for amortization of its property and equipment at the following annual rates:

Field and Automotive equipment	-from 20%-30% declining balance basis
Buildings and structures	-straight line over the useful life (ranging three to twelve years)
Leasehold improvements	-straight line over the term of the lease (five years)
Other assets	-from 20%-30% declining balance basis

Assets under construction are capitalized as a separate component of property and equipment. On completion, the cost of construction is transferred to the appropriate category. Assets under construction are not amortized. Amortization commences on the date when the assets are available for use.

(h) Resource properties and deferred exploration and evaluation costs

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in loss in the year.

Capitalized costs, including certain operating expenses, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are reviewed for impairment at each cash-generating unit (“CGU”) level. The Company defines CGU on a property by property basis.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(i) Assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

(j) Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company’s non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to CGU's to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately through operations.

(k) Foreign currencies

Functional and presentational currency

All amounts in these financial statements are presented in Canadian Dollars unless otherwise stated.

The functional currency of the Company is the Canadian Dollar and the functional currency of the significant operating subsidiaries is either the Canadian Dollar or the US Dollar. The functional currency for the Company and its' subsidiaries is determined as the currency of the primary economic environment in which they operate.

Foreign currency translation

Transactions in currencies other than the functional currency are translated to the functional currency at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the statement of financial position date. Exchange gains and losses on settlement of transactions, and the translation of monetary assets and liabilities other than in functional currency are recorded in loss.

Translation from functional to presentational currency

The results and financial position of all of the Company's subsidiaries that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of comprehensive loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and as a separate component of equity.

(l) Financial assets and liabilities

Financial assets held are cash and cash equivalents, restricted cash, marketable securities and accounts receivable. Financial liabilities are accounts payable and accrued liabilities.

These are classified into the following specified categories: available-for-sale ("AFS"), financial assets at fair value through profit and loss, loans and receivables or other liabilities. The classification depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition. Marketable securities held by the Company for trading in an active market are classified as being financial assets at fair value through profit and loss and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in loss.

Amounts receivable that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate. Other financial liabilities are measured at amortized cost.

The Company has classified its financial instruments as follows:

Cash and cash equivalents	-	Loans and receivables
Term deposits, restricted cash	-	Loans and receivables
Investment in marketable securities	-	Financial assets at fair value through profit and loss
Other receivables	-	Loans and receivables
Accounts payable and accrued liabilities	-	Other financial liabilities

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets:

Financial assets other than those at fair value through profit and loss are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. The Company does not have any derivative financial instruments or interest calculated using the effective interest method.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in banks, certificates of deposit and short-term investments with remaining maturities of three months or less at time of acquisition. The Company does not hold any asset backed commercial paper.

(n) Restricted cash

Restricted cash includes reclamation bonds held by the Nevada Bureau of Land Management, Newmont Mining Corporation and a major bank in the United States. The cash will be returned to the Company upon successful completion of reclamation at the Company's various properties in Nevada which are not expected within the next twelve months.

(o) Investments in associates

Associates are those entities in which the Company has a material long-term interest and in respect of which the Company exercises significant influence over operational and financial policies, normally owning between 20% and 50% of the voting equity, but which it does not control.

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The accounting policies of the associate are consistent with those adopted by the Company. The Company's share of its associates' post-acquisition profits or losses is recognized in loss and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive loss with a corresponding adjustment to the carrying amount of the investment. When the Company's share of the losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has unsecured legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of net loss of associate' in loss.

When the Company no longer has a significant influence over an associate, accounting for the investment as an associate ceases. The carrying value of the investment in the associate at the date it ceases to be an associate is transferred to the new designated class of financial asset. The investment is then accounted for under the requirements of the new financial asset designation.

(p) Asset retirement obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Risk-free discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The Company records a provision for environmental rehabilitation in the financial statements when it is incurred and capitalizes this amount as an increase in the carrying amount of the related asset. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(q) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(r) Expenses

Operating leases
Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(s) Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the period by the weighted average number of common shares outstanding in the period.

(t) Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company operates in one business segment, mineral exploration and two geographical segments, Canada and the United States.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker which consists of review of total assets and net income/(loss). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of assets
When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. No impairment indicators of non-financial assets have been noted for the years ended February 29, 2012, February 28, 2011 as at March 1, 2010 other than the impairment taken on investment in associate *(Note 6)*.

Stock-based compensation
Management is required to make certain estimates when determining the fair value of stock options awards and the number of awards that are expected to vest. These estimates affect the amount recognized as stock

based payments in the consolidated statements of loss and comprehensive loss based on estimates of forfeiture, stock price volatility and expected lives of the underlying stock options.

Income taxes and recovery of deferred tax assets
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Management did not recognize deferred tax assets as future taxable profits are not expected until the Company reaches technical feasibility and commercial viability of the extraction of the mineral resources, the timing of which is uncertain as the Company is still in the exploration and evaluation stage.

Accounting standards and interpretations issued but not yet effective

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. Management has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

IFRS 9, “Financial Instruments” (“IFRS 9”)

In November 2009, the IASB issued IFRS 9, “Financial Instruments”, replacing IAS 39, “Financial Instruments: Recognition and Measurement” (“IAS 39”). IFRS 9 will be issued in three phases. The first phase, which has already been issued, addresses the accounting for financial assets and financial liabilities. The second phase will address impairment of financial instruments, while the third phase will address hedge accounting.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods currently provided in IAS 39.

Requirements for financial liabilities were added to IFRS 9 in October 2010. Although the classification criteria for financial liabilities will not change under IFRS 9, the fair value option may require different accounting for changes to the fair value of a financial liability resulting from changes to an entity’s own credit risk.

In December 2011, the IASB issued amendments to IFRS 9, extending the mandatory effective date for implementation of IFRS 9, which is now effective for annual periods beginning on or after January 1, 2015, although early adoption is permitted, with varying transitional arrangements dependent on the date of initial application.

IFRS 10, “Consolidation” (“IFRS 10”)

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, “Consolidation—Special Purpose Entities” and parts of IAS 27, “Consolidated and Separate Financial Statements” (“IAS 27”). This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 11, “Joint Arrangements” (“IFRS 11”)

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas, for a joint operation, the venturer will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, “Interests in Joint Ventures”, and SIC-13, “Jointly Controlled Entities—Non-monetary Contributions by Venturers”. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 12, “Disclosure of Interests in Other Entities” (“IFRS 12”)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, equity accounted investments, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 13, “Fair Value Measurement” (“IFRS 13”)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (“IFRIC20”)

In October 2011, the IASB issued IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 must be applied starting January 1, 2013 with early adoption permitted.

Amendments to Other Standards

In addition to the issuance of new standards as detailed above, there have also been amendments to existing standards, including IAS 1, “Presentation of Financial Statements” (“IAS 1”), IAS 19, “Employee Benefits” (“IAS 19”), IAS 27, “Consolidated and Separate Financial Statements”, IAS 28, “Investments in Associates and Joint Ventures” (“IAS 28”), IFRS 7, “Financial Instruments: Disclosures” (“IFRS 7”) and IAS 32 “Financial Instruments: Presentation” (“IAS 32”).

The amendments to IAS 1 will require that entities group items presented in other comprehensive income (“OCI”) based on an assessment of whether such items may or may not be reclassified to earnings at a subsequent date. Amendments to IAS 1 are applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted.

Amendments to IAS 19 eliminate an entity’s option to defer the recognition of certain gains and losses related to post-employment benefits and require remeasurement of associated assets and liabilities in OCI. Amendments to IAS 19 are applicable on a modified retrospective basis to annual periods beginning on or after January 1, 2013, with early adoption permitted.

The amended IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 through 13 as outlined above. Amendments to IAS 27 and IAS 28 are applicable to annual periods beginning on or after January 1, 2013, with early adoption permitted. Amendments to IFRS 7 require the disclosure of information that will enable users of an entity's financial statements to evaluate the effect, or potential effect, of offsetting financial assets and financial liabilities, to the entity's financial position. Amendments to IFRS 7 are applicable to annual periods beginning on or after January 1, 2013, with retrospective application required.

(Expressed in Canadian Dollars)

The amendments to IAS 32 clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014, with retrospective application required. Early adoption is permitted.

5. MARKETABLE SECURITIES

	February 29, 2012	February 28, 2011	March 1, 2010
Current investments			
Financial assets at fair value through profit and loss	$ 404,350	$ 162,850	$ 473,002
	$ 404,350	$ 162,850	$ 473,002

6. INVESTMENT IN ASSOCIATE

	February 29, 2012	February 28, 2011	March 1, 2010
Takara Resources Inc. – 22,208,355 common shares	$ 2,859,887	$ 3,303,171	$ -
Share of net loss	(377,733)	(443,284)	-
Impairment of investment in associate	(1,527,122)	-	-
Share of other comprehensive income	85,930	-	-
	$ 1,040,962	$ 2,859,887	$ -

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

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

At February 29, 2012, the Company held 23.42% of the issued and outstanding shares of Takara. The Company accounts for its investment in Takara using the equity method of accounting. At November 30, 2011, the Company made a decision to write-down its investment in Takara to the quoted market value resulting in an impairment charge of $1,527,122. At February 29, 2012, the Takara shares had a quoted market value of $1,554,585 (February 28, 2011 - $4,663,755).

(Expressed in Canadian Dollars)

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

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

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

None of these events occurred prior to or as of February 29, 2012

7. PROPERTY AND EQUIPMENT

	Other assets	Assets under construction	Buildings/ structure	Field & automotive equipment	Leasehold improvements	Land	Total
Cost							
March 1, 2010	$ 127,429	$ -	$ -	$ 646,014	$ -	$ 307,855	$ 1,081,298
Additions	52,872	5,023,380	-	12,700	-	-	5,088,952
Disposals	(74,951)	-	-	(554,437)	-	-	(629,388)
February 28, 2011	105,350	5,023,380	-	104,277	-	307,855	5,540,862
Transfers	-	(5,023,380)	5,023,380	-	-	-	-
Additions	202,288	-	916,139	81,770	139,542	-	1,339,739
February 29, 2012	$ 307,638	$ -	$ 5,939,519	$ 186,047	$ 139,542	$ 307,855	$ 6,880,601
Accumulated amortization							
March 1, 2010	$ 20,482	$ -	$ -	$ 85,375	$ -	$ -	$ 105,857
Additions	22,157	-	-	14,994	-	-	37,151
Disposals	(12,125)	-	-	(50,488)	-	-	(62,613)
February 28, 2011	30,514	-	-	49,881	-	-	80,395
Additions	87,091	-	654,573	18,976	13,954	-	774,594
February 29, 2012	$ 117,605	$ -	$ 654,573	$ 68,857	$ 13,954	$ -	$ 854,989
Net book value							
March 1, 2010	$ 106,947	$ -	$ -	$ 560,639	$ -	$ 307,855	$ 975,441
February 28, 2011	$ 74,836	$ 5,023,380	$ -	$ 54,396	$ -	$ 307,855	$ 5,460,467
February 29, 2012	$ 190,033	$ -	$ 5,284,946	$ 117,190	$ 125,588	$ 307,855	$ 6,025,612

During the year ended February 29, 2012, the all-season camp located at Dublin Gulch was transferred from assets under construction to buildings/structure.

(Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES

	March 1, 2010	Additions	Impairment and sale	Currency Translation	February 28, 2011
Mill Canyon (Nevada)	$11,551,558	$ 167,990	$ -	$ (871,927)	$ 10,847,621
Cove (Nevada)	11,822,859	2,687,073	-	(1,079,530)	13,430,402
Big Springs (Nevada) *	5,704,068	1,132,402	-	(508,630)	6,327,840
Santa Fe (Nevada)	2,497,032	1,658,366	-	(309,159)	3,846,239
Dublin Gulch (Yukon)	16,192,970	13,242,536	-	-	29,435,506
Tassawini (Guyana) **	860,978	100,391	(961,369)	-	-
BRL Venture (Guyana) **	705,180	93,613	(798,793)	-	-
Other properties ***	2,148,885	124,717	(2,761)	(136,814)	2,134,027
	$51,483,530	$19,207,088	$(1,762,923)	$(2,906,060)	$ 66,021,635

	February 28, 2011	Additions	Currency Translation	Transfers *(Note 21)*	February 29, 2012
Mill Canyon (Nevada)	$ 10,847,621	$ 815,436	$ (1,230,574)	$ (10,432,483)	$ -
Cove (Nevada)	13,430,402	3,172,778	486,507	(17,089,687)	-
Big Springs (Nevada) *	6,327,840	559,184	(130,948)	-	6,756,076
Santa Fe (Nevada)	3,846,239	358,396	134,022	-	4,338,657
Dublin Gulch (Yukon)	29,435,506	28,469,636	-	-	57,905,142
Other properties ***	2,134,027	144,425	91,568	(1,562,225)	807,795
	$ 66,021,635	$33,519,855	$ (649,425)	$ (29,084,395)	$69,807,669

* Big Springs includes the Golden Dome, Island Mountain, Dorsey Creek and Mac Ridge properties.
** Tassawini and BRL Venture properties were sold to Takara Resources Inc. on April 23, 2010 for shares. The excess of the proceeds from the sale over the carrying value was accounted for as a Gain on Sale of property.
*** Other properties include Wattabaeg and Russell Creek in Ontario and Donjek, Aurex, Eureka, Canalask, Clear Creek and Hyland in Yukon Territory and Jack Creek and Relief Canyon in Nevada.

Mill Canyon, Nevada
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 as defined in the agreement. 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 by the Company 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. Refer to Note 21 regarding transfer to assets held for sale.

Cove, Nevada

On June 15, 2006, the Company entered into a "Minerals Lease and Agreement" to lease a portion of the Cove Mine project, located in north-central Nevada, from Newmont Mining Corporation ("Newmont"). Under the terms of the agreement, the Company was subject to yearly work commitments in the cumulative aggregate amount of US$8.5 million. The Company has completed the entire US$8.5 million work commitment. Newmont has a back-in right that it may exercise any time prior to the delivery of a positive feasibility study, as defined in the agreement, 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 the 51% interest, Newmont is required to solely fund all joint venture expenditures in an amount equal to 250% of the expenditures incurred by the Company on the Cove 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 net smelter return royalty ("NSR") of 5%, inclusive of any other royalties that apply to the property or portions of the property. Refer to Note 21 regarding transfer to assets held for sale.

Big Springs, Nevada

By an agreement dated December 23, 2002, the Company purchased a 100% interest in the Big Springs mineral claims located in the Jerritt Canyon area of Nevada, USA. During 2007, the Company issued the final tranche of 100,000 shares to the vendor, completing the issuance of a total of 500,000 shares as required by the agreement. The majority of the claims forming the property are subject to net smelter return royalties of 2% to 3%. Beginning on the seventh anniversary of the agreement the Company must pay annual advance royalty payments of $100,000. Advance royalty payments were made on December 23, 2009, December 23, 2010 and December 23, 2011.

Santa Fe, Nevada

On May 21, 2008 the Company entered into an agreement with Homestake Mining Company of California, a subsidiary of Barrick Gold of North America. The Company has the right to earn a 60% interest in the Santa Fe property by spending US$5,000,000 over five years (US$3,400,000 of which must, and has been, incurred by 31 December 2011) and an additional 10% by spending an additional US$1,500,000 in the sixth year.

Dublin Gulch, Yukon Territory

The Dublin Gulch property was acquired by StrataGold on December 2, 2004 and StrataGold was purchased by Victoria on June 4, 2009. The property is located in Yukon Territory, Canada.

The property is subject to the following three royalties, which arise from underlying agreements:

1. with respect to a portion of the property, historically known as the Mar Gold Zone, an annual royalty payment of $20,000 or payment of 2% of gross returns received from the sale of all metals produced from the claims, whichever is greater, to a maximum of $1,000,000, after which the royalty reverts to 1% of gross returns;

2. with respect to the 36 claims on the Lynx Zone, a 1½% NSR royalty with annual advance royalty payments of $15,000; and

3. with respect to the 63 claims and leases known as the Mar Tungsten Leases, a 1% NSR royalty.

Other Properties

Other properties include properties or interests in Yukon, Ontario, Guyana and Nevada.

Yukon properties and interests include Clear Creek, Hyland, Canalask, Donjek and Eureka. The Clear Creek property is subject to an Option Agreement, dated December 31, 2009, with Golden Predator Royalty & Development Company ("Golden Predator"). Golden Predator can earn a 100% interest in the Clear Creek property by making cash payments of $1,050,000, issuing 1,050,000 Golden Predator shares to Victoria and incurring $3,000,000 in exploration expenditures on the property. Victoria will retain a 3% NSR royalty with Golden Predator having the right to buy back 1% of the NSR royalty for $1,000,000. The Hyland property is subject to an Option Agreement, dated December 7, 2009, with Argus Metals Corp. ("Argus"). Argus can earn a 100% interest in the Hyland property by making cash payments of $175,000, issuing 800,000 Argus shares to Victoria and incurring $2,250,000 in exploration expenditures on the property. Victoria will retain a 2.5% Net Smelter Returns ("NSR") royalty on the property less any existing royalties. Argus has the right to buy back the equivalent of 1.5% of the NSR royalty for $1,000,000. The Company also retains a 1% NSR royalty on the Eureka property in Yukon.

Ontario properties and interests include the Russell Creek and Watabeag properties.

Guyana properties and interests include a 1.5% NSR royalty on the Kaituma property, 0.375% of which can be repurchased for US$625,000.

Nevada properties and interests include the Relief Canyon property. On June 15, 2006, the Company entered into a "Minerals Lease and Sublease Agreement" to lease the Relief Canyon property from Newmont. Under the terms of the lease, the Company will be subject to yearly work commitments that total US$3.6 million over a period of 7 years (consisting of US$150,000 (completed), US$250,000 (completed), US$350,000 (completed), US$500,000 (completed), US$600,000 (completed), 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 was a firm obligation and must be expended by June 15, 2008 (completed). Newmont has a back-in right that it may exercise any time prior to the delivery of a positive feasibility study as defined in the agreement. 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 by the Company 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% and covers a single, partial section away from the existing mine. All other sections and unpatented claims are subject to a maximum 5% NSR. Refer to Note 21 regarding transfer to assets held for sale.

9. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is reduced and the reduction of premium liability is recorded in operating expenses upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures already incurred. The Company has recognized a deferred premium liability of $691,481 relating to the flow-through financing completed on November 9, 2011 (see note 11). At February 29, 2012, the deferred premium was reduced and operating expense for the year then ended decreased by $691,481 to reflect the qualifying flow-through expenditures completed during the year ended February 29, 2012. At February 28, 2011, the deferred premium was reduced and operating expense for the year then ended decreased by $820,000 to reflect the qualifying flow-through expenditures completed during the year ended February 28, 2011.

10. ASSET RETIREMENT OBLIGATIONS

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and have been measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for reclamation and closure activities. Reclamation and closure costs are capitalized into Resource properties dependent on the nature of the asset related to the obligation and amortized over the life of the related asset. Future changes to those regulations and standards, as well as changes resulting from operations may result in actual reclamation costs differing from the estimate. 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, Cove, Big Springs, Dorsey Creek, Mac Ridge, Golden Dome and Dublin Gulch properties. The estimated costs of reclamation are based on current regulatory requirements and the estimated reclamation costs at the reporting date using the assumptions:

(Expressed in Canadian Dollars)

a) Total undiscounted amount of inflation adjusted future reclamation costs was determined to be $1,317,323;
b) Weighted average risk-free interest rate at 1.9% and a long-term inflation rate of 2.0%;
c) Expected timing of risk adjusted cash outflows required to settle the obligation will be incurred over the period through 2025.

As at March 1, 2010 the Company recorded an increase in the ARO liability of $169,695 due to change in the estimated average risk free rate as part of the IFRS changeover.

The following is an analysis of the Company's asset retirement obligation:

	February 29, 2012	February 28, 2011	March 1, 2010
Balance, beginning of year	$ 1,194,040	$ 913,841	$ 219,208
Unwinding of discount: ARO	44,403	34,470	11,239
Currency translation	(110,752)	-	-
Change in ARO estimates capitalized to resource properties	(55,238)	245,729	683,394
Balance, end of year	1,072,453	1,194,040	913,841
Less: Current portion	(85,995)	(22,558)	(24,381)
Long-term liability	$ 986,458	$ 1,171,482	$ 889,460

Included in ARO are amounts specific to the assets held for sale, Relief Canyon $19,239, Cove $104,952 and Mill Canyon $126,471.

11. SHARE CAPITAL AND OTHER EQUITY

Authorized, issued and outstanding common shares
Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 339,364,598 and 276,922,262 shares as at February 29, 2012 and February 28, 2011, respectively.

On November 9, 2011, the Company closed a brokered agreement with a syndicate of underwriters (the "Underwriters") led by BMO Capital Markets, under which the Underwriters have agreed to purchase, on a bought deal basis, a combination of common shares (the "Common Shares") and flow-through common shares (the "Flow-Through Common Shares") to provide the Company with gross proceeds of C$30,075,000 (the "Offering"). The Common Shares were sold at a price of $0.46 per Common Share, for gross proceeds of C$21,520,510. The Flow-Through Common Shares were sold at a price of $0.55 per Flow-Through Common Share, for gross proceeds of C$8,554,490. The Underwriters received a cash commission equal 6.0% of the gross proceeds from the sale of the Offering.

(Expressed in Canadian Dollars)

On August 24, 2010, the Company closed a brokered agreement with a syndicate of underwriters led by GMP Securities L.P. and including Cormark Securities Inc., Wellington West Capital Markets Inc., NCP Northland Capital Partners Inc., Paradigm Capital Inc., Raymond James Ltd., RBC Capital Markets and Scotia Capital Inc. (collectively, the "Underwriters"), to issue 41,112,500 common shares of the Company at a price of C$0.70 per Share, for aggregate gross proceeds of C$28,778,750 (the "Offering"). The Underwriters received a cash commission equal 5.5% of the gross proceeds from the sale of the Offering.

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

Warrants

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

	February 29, 2012			February 28, 2011		
	Number of Warrants	**Weighted average exercise price**	**Fair Value**	**Number of Warrants**	**Weighted average exercise price**	**Fair Value**
Outstanding, beginning of the year	4,776,000	$ 0.55	$ 999,456	9,047,450	$ 0.57	$1,566,495
Exercised	-	-	-	(4,177,950)	$ 0.59	(563,205)
Expired	-	-	-	(93,500)	$ 0.70	(3,834)
Outstanding, end of the year	4,776,000	$ 0.55	$ 999,456	4,776,000	$ 0.55	$ 999,456

Details of the warrants outstanding at February 29, 2012 are:

	Number of Warrants	**Exercise price**	**Expiry date**
Issued in private placement	4,776,000	$ 0.55	March 13, 2012
	4,776,000		

These warrants have since expired without being exercised.

12. SHARE - BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. One-eighth of options granted under the plan vest immediately; a further one-eighth vest after each three month period thereafter, with the final one-quarter vesting eighteen months from the date of grant. At February 29, 2012, 13,985,302 (12,352,886 as at February 28, 2011) additional stock options were available for grant under the Company's stock option plan.

(Expressed in Canadian Dollars)

The exercise price of options granted in accordance with the plan must not be lower than the closing price for such shares as quoted on the Toronto Stock Exchange Venture ("TSX-V") on the last business day prior to the date of the grant. The period for exercising an option shall not extend beyond a period of ten years following the date the option is granted. The total number of options held by insiders of the Company must not exceed 10% of the total number of shares issued and outstanding, unless approved by a majority of disinterested shareholders votes cast at a shareholders meeting.

A summary of the status of the Plan as at February 29, 2012 and as at February 28, 2011, and changes during the periods ended on those dates is presented below:

	February 29, 2012			February 28, 2011		
	Number of stock options	Weighted average exercise price	Fair Value Assigned	Number of stock options	Weighted average exercise price	Fair Value Assigned
Outstanding, beginning of the year	13,782,340	$ 0.71	$5,325,059	13,081,722	$ 0.64	$4,013,365
Granted	7,825,000	$ 0.46	2,144,875	3,255,000	$ 1.08	1,999,176
Exercised	(105,000)	$ 0.36	(15,223)	(2,172,000)	$ 0.49	(583,837)
Expired	(907,433)	$ 1.10	(381,346)	(184,882)	$ 3.91	(21,112)
Forfeited	(643,750)	$ 1.04	(378,261)	(197,500)	$ 0.65	(82,533)
Outstanding, end of the year	19,951,157	$ 0.59	$6,695,104	13,782,340	$ 0.71	$5,325,059

(Expressed in Canadian Dollars)

As at February 29, 2012, the Company had stock options issued to directors, officers, employees and contractors of the Company outstanding as follows:

Date of grant	Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
April 27, 2007	475,000	475,000	$ 0.60	April 27, 2012
May 2, 2007	3,122	3,122	$ 5.04	May 2, 2012
June 11, 2007	3,122	3,122	$ 5.28	June 11, 2012
June 26, 2007	50,000	50,000	$ 1.38	June 26, 2012
July 25, 2007	95,000	95,000	$ 0.60	July 25, 2012
August 20, 2007	1,900,000	1,900,000	$ 0.60	August 20, 2012
September 17, 2007	120,000	120,000	$ 0.65	September 17, 2012
October 1, 2007	18,735	18,735	$ 3.92	October 1, 2012
October 23, 2007	300,000	300,000	$ 0.70	October 23, 2012
February 19, 2008	65,573	65,573	$ 1.60	February 19, 2013
March 3, 2008	24,980	24,980	$ 1.60	March 3, 2013
July 30, 2008	540,000	540,000	$ 0.40	July 30, 2013
September 29, 2008	280,000	280,000	$ 0.34	September 29, 2013
December 17, 2008	2,189,375	2,189,375	$ 0.21	December 17, 2013
May 11, 2009	150,000	150,000	$ 0.32	May 11, 2014
July 2, 2009	250,000	250,000	$ 0.40	July 2, 2014
July 13, 2009	75,000	75,000	$ 0.36	July 13, 2014
September 21, 2009	550,000	550,000	$ 0.38	September 21, 2014
December 18, 2009	2,485,000	2,485,000	$ 0.70	December 18, 2014
October 8, 2010	413,750	331,250	$ 1.25	October 8, 2015
February 9, 2011	2,238,750	1,516,875	$ 1.05	February 9, 2016
May 18, 2011	223,750	118,750	$ 0.74	May 18, 2016
August 22, 2011	675,000	253,125	$ 0.65	August 22, 2016
September 8, 2011	600,000	150,000	$ 0.69	September 8, 2014
September 8, 2011	110,000	27,500	$ 0.57	September 8, 2016
January 20, 2012	6,115,000	764,375	$ 0.40	January 20, 2017
	19,951,157	12,736,782		

The April 27, May 2 and June 11, 2007 granted options have since expired without being exercised.

The fair value of each option is accounted for in the statement of comprehensive loss or capitalized to resource properties over the vesting period of the options, and the related credit is included in the contributed surplus.

On January 20, 2012, the Company granted 6,115,000 incentive stock options with an exercise price of $0.40 per option to employees of the Company. The stock options have a term of five years and expire on January 20, 2017. The fair value of these options totalling $1,508,571 will be recognized ($824,351 expensed and $684,220 capitalized to resource properties) over the vesting periods, of which $508,415 has been recognized ($277,821 expensed and $230,594 capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.09%, an expected life of 4.7 years, an expected volatility of 86% and a dividend yield rate of nil. This results in an estimated value of $0.32 per option at the grant date using the Black-Scholes option-pricing model.

On September 8, 2011, the Company granted 110,000 incentive stock options with an exercise price of $0.57 per option to employees of the Company. The stock options have a term of five years and expire on September 8, 2016. The fair value of these options totalling $34,980 will be recognized (capitalized to resource properties) over the vesting periods, of which $22,448 has been recognized (capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.20%, an expected life of 3 years, an expected volatility of 92% and a dividend yield rate of nil. This results in an estimated value of $0.32 per option at the grant date using the Black-Scholes option-pricing model.

On September 8, 2011, the Company granted 600,000 incentive stock options with an exercise price of $0.69 per option to a consultant. The stock options have a term of three years and expire on September 8, 2014. The fair value of these options totalling $177,000 will be recognized (expensed) over the vesting periods, of which $113,757 has been recognized (expensed) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.20%, an expected life of 3 years, an expected volatility of 92% and a dividend yield rate of nil. This results in an estimated value of $0.30 per option at the grant date using the Black-Scholes option-pricing model.

On August 22, 2011, the Company granted 675,000 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 August 22, 2016. The fair value of these options totalling $289,890 will be recognized ($138,092 expensed and $151,798 capitalized to resource properties) over the vesting periods, of which $211,827 has been recognized ($100,904 expensed and $110,923 capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.92%, an expected life of 4.3 years, an expected volatility of 96% and a dividend yield rate of nil. This results in an estimated value of $0.43 per option at the grant date using the Black-Scholes option-pricing model.

On May 18, 2011, the Company granted 325,000 incentive stock options with an exercise price of $0.74 per option to employees of the Company. 101,250 of these options were forfeited as at February 29, 2012. The stock options have a term of five years and expire on May 18, 2016. The fair value of these options totalling $92,386 will be recognized ($10,323 expensed and $82,063 capitalized to resource properties) over the vesting periods, of which $90,039 has been recognized ($10,323 expensed and $79,716 capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.74%, an expected life of 3 years, an expected volatility of 95% and a dividend yield rate of nil. This results in an estimated value of $0.41 per option at the grant date using the Black-Scholes option-pricing model.

On February 9, 2011, the Company granted 2,725,000 incentive stock options with an exercise price of $1.05 per option to employees of the Company. 486,250 of these options were forfeited as at February 29, 2012. The stock options have a term of five years and expire on February 9, 2016. The fair value of these options totalling $1,316,913 will be recognized ($891,257 expensed and $425,656 capitalized to resource properties) over the vesting periods, of which $1,210,583 has been recognized ($812,050 expensed and $398,533 capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 2.14%, an expected life of 4.5 years, an expected volatility of 97% and a dividend yield rate of nil. This results in an estimated value of $0.59 per option at the grant date using the Black-Scholes option-pricing model.

On October 8, 2010, the Company granted 530,000 incentive stock options with an exercise price of $1.25 per option to employees of the Company. 81,250 of these options were forfeited as at February 29, 2012. The stock options have a term of five years and expire on October 8, 2015. The fair value of these options totalling $335,490 will be recognized ($83,812 expensed and $251,678 capitalized to resource properties) over the vesting periods, of which $334,608 has been recognized ($83,311 expensed and $251,297 capitalized) as at February 29, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.78%, an expected life of 3 years, an expected volatility of 101% and a dividend yield rate of nil. This results in an estimated value of $0.75 per option at the grant date using the Black-Scholes option-pricing model.

On December 18, 2009, the Company granted 3,210,000 incentive stock options with an exercise price of $0.70 per option to directors, officers and employees of the Company. 222,500 of these options were forfeited as at November 30, 2010. The stock options have a term of five years and expire on December 18, 2014. The fair value of these options totalling $1,338,998 has been fully recognized ($796,012 expensed and $542,986 capitalized to resource properties) as at August 31, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 4.4 years, an expected volatility of 101% and a dividend yield rate of nil. This results in an estimated value of $0.45 per option at the grant date using the Black-Scholes option-pricing model.

On September 21, 2009, the Company granted 695,000 incentive stock options with an exercise price of $0.38 per option to employees of the Company. The stock options have a term of five years and expire on September 21, 2014. The fair value of these options totalling $189,344 has been fully recognized ($177,214 expensed and $12,130 capitalized to resource properties) as at August 31, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.4%, an expected life of 4.8 years, an expected volatility of 100% and a dividend yield rate of nil. This results in an estimated value of $0.27 per option at the grant date using the Black-Scholes option-pricing model.

On July 13, 2009, the Company granted 75,000 incentive stock options with an exercise price of $0.36 per option to an employee of the Company. The stock options have a term of five years and expire on July 13, 2014. The fair value of these options totalling $16,166 has been recognized (capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.3%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of $0.22 per option at the grant date using the Black-Scholes option-pricing model.

On July 2, 2009, the Company granted 250,000 incentive stock options with an exercise price of $0.40 per option to an employee of the Company. The stock options have a term of five years and expire on July 2, 2014. The fair value of these options totalling $72,116 has been fully recognized (capitalized) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.31%, an expected life of 5.0 years, an expected volatility of 98% and a dividend yield rate of nil. This results in an estimated value of $0.29 per option at the grant date using the Black-Scholes option-pricing model.

On May 11, 2009, the Company granted 150,000 incentive stock options with an exercise price of $0.32 per option to an employee of the Company. The stock options have a term of five years and expire on May 11, 2014. The fair value of these options, totalling $30,481 has been fully recognized ($7,133 expensed and $23,348 capitalized to resource properties) as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 0.9%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of $0.20 per option at the grant date using the Black-Scholes option-pricing model.

On April 6, 2009, the Company granted 125,000 incentive stock options with an exercise price of $0.45 per option to a consultant of the Company. The stock options have a term of three years and expire on April 6, 2012. The fair value of these options, totalling $24,006 has been fully recognized as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 1.1%, an expected life of 3.0 years, an expected volatility of 109% and a dividend yield rate of nil. This results in an estimated value of $0.19 per option at the grant date using the Black-Scholes option-pricing model.

On December 17, 2008, the Company granted 3,105,000 incentive stock options with an exercise price of $0.21 per option to directors, officers and employees of the Company. 112,500 of these options have been forfeited as at February 28, 2011. The stock options have a term of five years and expire on December 17, 2013. The fair value of these options totalling $380,265 ($272,157 expensed and $108,108 capitalized to properties) has been fully recognized as at February 28, 2011. The fair value of these options was calculated based on a risk-free annual interest rate of 2.1%, an expected life of 4.5 years, an expected volatility of 92%

(Expressed in Canadian Dollars)

and a dividend yield rate of nil. This results in an estimated value of $0.13 per option at the grant date using the Black-Scholes option-pricing model.

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 Company uses a forfeiture rate of 2.86%.

13. LOSS PER SHARE

(a) Basic

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders by the weighted average number of ordinary shares in issue during the year.

	For the years ended February 29, 2012	February 28, 2011
Net loss	$ (5,573,396)	$ (2,513,014)
Weighted average number of common shares issued	296,235,060	254,418,707
Basic loss per share	$ (0.019)	$ (0.010)

(b) Diluted

As a result of the loss for the year, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

14. COMMITMENTS AND CONTINGENCIES

Operating Leases

At February 29, 2012, the Company has future minimum annual operating lease commitments for office premises in; (1) Vancouver, BC, (2) Toronto, Ontario, (3) Reno, Nevada, (4) Elko County, Nevada and (5) Whitehorse, Yukon, as follows:

	CAN$	US$
to February 29, 2013	$ 447,566	$ 29,547
to February 28, 2014	318,308	15,075
to February 28, 2015	295,283	-
to February 28, 2016	298,749	-
to February 29, 2017 and thereafter	99,583	-
Total	$ 1,459,489	$ 44,622

15. FINANCIAL RISK MANAGEMENT

(a) Credit risk management

Certain of the Company's financial assets are exposed to a degree of credit risk. The Company endeavours to manage credit risk by holding its cash and cash equivalents as cash deposits and short-term government treasury funds with major commercial banks.

Credit risk relating to accounts receivable and restricted cash arises from the possibility that any counterparty to an instrument fails to perform. The Company's accounts receivable relate to recoveries of HST. Restricted cash includes reclamation bonds. Reclamation bonds reflect non-interest bearing cash deposits held with governmental agencies representing the state of Nevada, Newmont Mining Corporation and interest bearing certificates of deposit held by Wells Fargo. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of cash and cash equivalents, restricted cash and receivables. The maximum exposure is limited to amounts of cash and cash equivalents, restricted cash and receivables on the statement of financial position.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As of February 29, 2012, the Company had a cash balance of $19,663,714 (February 28, 2011 - $25,666,536) to settle current accounts payable and accrued liabilities of $4,845,724 (February 28, 2011 - $2,300,914).

(c) Market risk

The Company's financial assets and liabilities are exposed to price risk with respect to commodity prices and prices of the Company's equity investment, however the risk is limited due to the nature and low balance of the Company's holdings.

(d) Foreign exchange risk

The Company incurs exploration expenditures in the United States and holds its restricted cash and a portion of its cash and cash equivalents in US dollars. This gives rise to a risk that its US dollar expenditures and US dollar cash holdings may be adversely impacted by fluctuations in foreign exchange. The Company does not undertake currency hedging activities.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk of investing cash equivalents into fixed interest rate investments is mitigated by the short terms in which the investments mature. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is limited as these investments, although available for sale, renew daily. The short-term investments included in cash and cash equivalents earn interest at prevailing rates. This allows the Company to adapt its investment strategy in the event of any large fluctuations in the prevailing market rates.

(Expressed in Canadian Dollars)

Sensitivity analysis

The following table summarizes the sensitivity of the Company's cash, cash equivalents and restricted cash to changes in interest rates and foreign exchange rates over the twelve month reporting period ended February 29, 2012.

	Carrying amount	Interest rate change (1)		Foreign currency change (2)	
		+ 1%	- 1%	+ 10%	- 10%
Cash and cash equivalents (Cdn $)					
Cash - Cdn$ denominated	7,263,454	72,635	(72,635)	-	-
Cash - US$ denominated	1,343,021	13,430	(13,430)	134,302	(134,302)
Treasury funds - Canadian denominated	11,057,239	110,572	(110,572)	-	-
Total cash and cash equivalents	19,663,714	196,637	(196,637)	134,302	(134,302)
Reclamation bonds - US$ denominated (non-interest bearing)	372,396	-	-	37,240	(37,240)
Reclamation bonds - US$ denominated (interest bearing)	321,437	3,214	(3,214)	32,144	(32,144)
Reclamation bonds - Cdn$ denominated (non-interest bearing)	144,300	-	-	-	-
Total amount or impact - cash and deposits	20,501,847	199,851	(199,851)	203,686	(203,686)

1) Interest earned on the Company's interest bearing cash accounts, treasury funds and certificates of deposit is at prevailing rates that fluctuate with changes in banking interest rates and Government t-bill rates. Management believes that a plus or minus 1% annual change in rates is a reasonable estimate of variability over a twelve month period.

2) The Company's US dollar cash balance, US dollar reclamation bonds and US dollar based certificates of deposit are subject to foreign exchange risk. Management has shown a sensitivity analysis of a plus or minus change of 10%.

(f) Fair value of financial assets and liabilities

The book values of the cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, approximate their respective fair values.

The fair values together with the carrying amounts shown in the statements of financial position are as follows:

		February 29, 2012		February 28, 2011		March 1, 2010	
	Classification	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents		$19,663,714	$19,663,714	$25,666,536	$25,666,536	$19,846,495	$19,846,495
Restricted cash		838,133	838,133	718,970	718,970	826,389	826,389
Marketable securities	*Level 1*	404,350	404,350	162,850	162,850	473,002	473,002
Other receivables		373,512	373,512	696,922	696,922	276,192	276,192
Accounts payable and accrued liabilities		(4,845,724)	(4,845,724)	(2,300,914)	(2,300,914)	(4,034,846)	(4,034,846)

(Expressed in Canadian Dollars)

(g) Estimation of fair values

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table:

Securities in listed entities (financial assets at fair value through profit and loss)
Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Trade and other receivables/payables
For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

16. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of capital stock, contributed surplus and accumulated deficit. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration, development and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its resource properties and maximize shareholder returns. The Company satisfies its capital requirements through 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 February 29, 2012, the Company had no bank debt.

Management reviews its capital management approach on an ongoing basis. There were no significant changes in the Company's approach to capital management during the year ended February 29, 2012. The Company is not subject to externally imposed capital requirements.

17. RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company who are not independent for the years ended February 29, 2012 and February 28, 2011 was as follows:

	2012	2011
Salaries and other short term employment benefits	$1,456,269	$1,894,736
Share based compensation	$ 773,031	$ 672,305

18. TRANSITION TO IFRS

These are the Company's first annual consolidated financial statements prepared in accordance with IFRS.

The policies set out in the Significant Accounting Policies section have been applied in preparing the financial statements for the year ended February 29, 2012, the comparative information presented in these consolidated financial statements for the year ended February 28, 2011 and in the preparation of an opening IFRS statement of financial position at March 1, 2010 (the Company's date of transition).

IFRS Exceptions and Exemptions

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at March 1, 2010, the Company's "Transition Date":

(i) **Property, plant and equipment**

IFRS 1 provides a one-time choice of measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical valuation under the prior GAAP. For the purpose of subsequent measurement, the Company has elected to apply the cost model for property, plant & equipment rather than the fair value model available under IFRS. The Company has elected not to use fair value as historical cost bases under Canadian GAAP have been determined to be substantially the same as under IFRS at the transition date of March 1, 2010.

(ii) **ARO liability**

The Company has elected to apply exemption from full retrospective application of IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities ("IFRIC 1") to the Company's decommissioning liabilities included in the cost of property, plant and equipment. In accordance with this IFRS 1 optional exemption, decommissioning and restoration liabilities of the Company are measured as at the date of transition to IFRS in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. To the extent that the liability is within the scope of IFRIC 1, the amount that would have been included in the cost of the related asset when the liability first arose is determined by discounting the liability to that date using the best estimate of the historical risk free discount rates(s) that would have applied for that liability of the intervening period. Depreciation charges based on the adjusted cost is applied prospectively from March 1, 2010.

(iii) **Share-based payments**

The Company has applied the share-based payments exemption in IFRS 1 to apply IFRS 2 “Share based Payments” only to equity instruments that were issued after November 7, 2002 and had not vested by the transition date.

(iv) **Business combinations**

The Company has applied the business combinations exemption in IFRS 1 to not apply IFRS 3, “Business Combinations” retrospectively to past business combinations. Accordingly, the Company has not restated business combinations that took place prior to the transition date.

(v) **Leases**

The Company has elected under IFRS 1 not to reassess whether an arrangement contains a lease under IFRIC 4 for contracts that were assessed under previous Canadian GAAP. Arrangements entered into before the effective date of EIC 150 that have not subsequently been assessed under EIC 150, were assessed under IFRIC 4, and no additional leases were identified.

(vi) **Functional currency**

IFRS 1 provides an exemption to not apply the guidance of IAS 21, *The Effects of Changes in Foreign Exchange Rates*, for cumulative translation adjustments that existed at the Transition Date. Retrospective application of IAS 21 would require the Company to determine cumulative currency translation differences from the date a subsidiary or other investee was formed or acquired. The Company has elected to apply the exemption under IFRS 1 and as such, reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS.

Mandatory exceptions to retrospective application

In preparing these consolidated financial statements in accordance with IFRS 1 the Company has applied certain mandatory exceptions from full retrospective application of IFRS. The mandatory exceptions applied from full retrospective application of IFRS are described below.

Estimates

Hindsight was not used to create or revise estimates and accordingly the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

Other IFRS 1 exemptions and mandatory exceptions have not been discussed above as they are not applicable to the Company.

In preparing its opening IFRS balance sheet, the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and financial performance is set out in the following tables and the additional notes that accompany the tables.

The Company's first-time adoption did not have significant impact on the total operating, investing or financing cash flows.

(Expressed in Canadian Dollars)

Reconciliation of equity:

		March 1, 2010				February 28, 2011		
	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS		Canadian GAAP	Effect of transition to IFRS	IFRS
Assets								
Current assets								
Cash and cash equivalents		19,846,495	-	19,846,495		25,666,536	-	25,666,536
Marketable securities		473,002	-	473,002		162,850	-	162,850
Accounts receivable		276,192	-	276,192		696,922	-	696,922
Prepaid expenses		191,849	-	191,849		567,586	-	567,586
		20,787,538	-	20,787,538		27,093,894	-	27,093,894
Restricted cash		826,389	-	826,389		718,970	-	718,970
Investment in Takara Resources Inc.		-	-	-		2,859,887	-	2,859,887
Property and equipment		975,441	-	975,441		5,460,467	-	5,460,467
Deferred transaction costs		-	-	-		-	-	-
Resource properties	*c) & f)*	53,241,098	(1,757,568)	51,483,530		70,685,263	(4,663,628)	66,021,635
Total assets		75,830,466	(1,757,568)	74,072,898		106,818,481	(4,663,628)	102,154,853
Liabilities and Shareholders' Equity								
Current liabilities								
Accounts payable and accrued liabilities		4,034,846	-	4,034,846		2,300,914	-	2,300,914
Deferred premium	*a) (1)*	-		-		-	-	-
Current portion of ARO		24,381	-	24,381		22,558	-	22,558
		4,059,227	-	4,059,227		2,323,472	-	2,323,472
Asset retirement obligations ("ARO")	*c)*	719,765	169,695	889,460		1,001,787	169,695	1,171,482
		4,778,992	169,695	4,948,687		3,325,259	169,695	3,494,954
Shareholders' Equity								
Capital stock	*a)*	89,376,881	(6,982)	89,369,899		123,875,070	263,592	124,138,662
Warrants								
Contributed surplus	*b)*	9,039,932	322,733	9,362,665		9,540,337	8,327	9,548,664
Accumulated other comprehensive loss	*f)*	-	-	-		-	(2,906,060)	(2,906,060)
Deficit	*a) & b)*	(27,365,339)	(2,243,014)	(29,608,353)		(29,922,185)	(2,199,182)	(32,121,367)
Total equity		71,051,474	(1,927,263)	69,124,211		103,493,222	(4,833,323)	98,659,899
Total liabilities and equity		75,830,466	(1,757,568)	74,072,898		106,818,481	(4,663,628)	102,154,853

(Expressed in Canadian Dollars)

Reconciliation of loss and comprehensive loss for the year ended February 28, 2011:

	Notes	Canadian GAAP	Effect of Transition to IFRS	IFRS
		For the year ended February 28, 2011		
Expenses				
Share-based payments	*b)*	982,472	(314,406)	668,066
Salaries and benefits excluding share-based payments		1,399,548	-	1,399,548
Office and administrative		588,332	-	588,332
Consulting		144,193	-	144,193
Marketing		394,744	-	394,744
Legal and accounting		404,313	-	404,313
Amortization		56,691	-	56,691
Resource property costs and impairments		2,761	-	2,761
Premium on flow-through shares	*a) (1)*	-	(820,000)	(820,000)
		3,973,054	(1,134,406)	2,838,648
Loss before the undernoted		(3,973,054)	1,134,406	(2,838,648)
Foreign exchange (gain) loss		314,761	-	314,761
Share of net loss of equity investment		443,284	-	443,284
Change in fair value of marketable securities		4,577	-	4,577
(Gain) loss on disposal of mineral properties		(902,292)	-	(902,292)
(Gain) loss on sale of short term investments		(18,788)	-	(18,788)
Interest and bank charges		21,356	-	21,356
Interest income		(188,532)	-	(188,532)
		(325,634)	-	(325,634)
Loss before taxes		(3,647,420)	1,134,406	(2,513,014)
Income tax recovery	*a) (2)*	1,090,574	(1,090,574)	-
Net loss for the year		(4,737,994)	2,224,980	(2,513,014)
Other Comprehensive income (loss)				
Currency translation adjustment	*f)*	-	(2,906,060)	(2,906,060)
Share of other comprehensive income of associates	*a) (2)*	-	-	-
Total Comprehensive loss for the year		(4,737,994)	(681,080)	(5,419,074)
Net income (loss) per share:				
Basic and diluted gain (loss) per share		(0.019)		(0.010)
Weighted average number of shares				
Basic and diluted		254,418,707		254,418,707

Notes to the reconciliation of equity and net loss and comprehensive loss

a) Flow through shares and deferred taxes

Under Canadian GAAP, the Company followed the recommendations of the Emerging Issues Committee ("EIC") of the CICA with respect to flow-through shares, as outlined in EIC-146. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is reasonable assurance that the expenditures will be made. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

As part of the transition to IFRS the Company adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred. In particular, the corresponding reduction of share capital in respect of flow-through share financing as previously recorded under Canadian GAAP is now recorded as an expense in the statements of loss and comprehensive loss.

Pursuant to the above policy the allocation of the proceeds from flow through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The effects of this transitional change are as follows:

(1) Premium on flow-through shares: (i) decreased share capital and deficit at March 1, 2010 by $507,727, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features; (ii) increased deferred premium (liability) and decreased share capital by $820,000 for the year ended February 28, 2011 and (iii) decreased deferred premium (liability) and increased other income by $820,000 as at February 28, 2011 to reflect the qualifying flow-through expenditures completed prior to February 28, 2011.

(2) Renouncement of flow through tax credits: (i) increased share capital and deficit by $500,745 at March 1, 2010 and (ii) increased share capital and deferred tax provision expense by $1,090,574 for the year ended February 28, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

b) Share based payments

Under IFRS graded vesting awards are accounted for as though each installment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition, is as follows: (i) increased deficit and contributed surplus by $322,733 at March 1, 2010 and (ii) decreased share-based payments expense and contributed surplus by $314,406 for the year ended February 28, 2011.

(Expressed in Canadian Dollars)

c) Asset retirement obligation (Refer to item (ii) ARO liability under *IFRS Exemptions and choices*)

The Company has recalculated the revised asset retirement obligation by applying the revised discount rate applicable to the project liability. The impact on the previously reported amounts is as follows: As at March 1, 2010 and February 28, 2011: increase in resource properties and ARO liability of $169,695. The corresponding income statement impact with respect to accretion expense and depreciation charge have been determined to be immaterial.

d) Impairment

Under IFRS an impairment loss is determined as the excess of the carrying amount of an asset or group of assets above the recoverable amount (the higher of fair value less costs to sell and value in use) with impairment loss being reversed in subsequent periods to reflect changes in the factors that gave rise to the impairment. Pursuant to the guidelines in IFRS 6, *Exploration for and Evaluation of Mineral Resources* the Company has determined that there were no indicators as of the transition date of March 1, 2010 or subsequent to that date that suggested that the impairment assessment was required to be performed.

e) Impact on deficit

The effect of the above adjustments on deficit is as follows:

		March 1,	**February 28,**
	Notes	**2010**	**2011**
Canadian GAAP:		(27,365,339)	(29,922,185)
Share-based payments	*b)*	(322,733)	(8,327)
IAS 21 adjustment	*f)*	(1,927,263)	(1,927,263)
Cummulative premium on flow-through shares	*a) (1)*	507,727	1,327,727
Deferred income tax - flow-through shares	*a) (2)*	(500,745)	(1,591,319)
IFRS:		(29,608,353)	(32,121,367)

f) IAS 21 adjustment

Under IFRS, functional currency is determined on an entity-by-entity basis as the primary economic environment in which each entity operates. The hierarchy of factors explicitly described by IAS 21 *The Effects of Changes in Foreign Exchange Rates* in this determination has led to a change in the functional currency of certain foreign subsidiaries from Canadian dollar to United States dollars due to a number of factors. The result is an adjustment to resource properties and translation reserve as follows:

March 1, 2010 – Decrease in mineral assets and translation reserve of $1,927,263
February 28, 2011 – Decrease in mineral assets and translation reserve of $2,906,060

19. SEGMENTED INFORMATION

The Company's principal activity is the exploration and development of mineral properties. The Company's resource properties are located in the Canada and the United States. A breakdown of mineral properties by geographic expenditures is disclosed in *Note 8.*

In millions of Cdn $	**Canada**	**USA**	**Corporate**	**Total**
February 29, 2012				
Assets held for sale *(Note 21)*	-	29.1	-	29.1
Investment in associate *(Note 6)*	1.0	-	-	1.0
Property and equipment	5.9	-	0.1	6.0
Resource properties	58.7	11.1	-	69.8
Total Assets	74.6	40.2	13.0	127.8
Net loss/(gain)	2.0	-	3.6	5.6
February 28, 2011				
Investment in associate *(Note 6)*	2.9	-	-	2.9
Property and equipment	5.5	-	-	5.5
Resource properties	23.0	36.0	-	66.0
Total Assets	40.4	36.5	25.3	102.2
Net loss/(gain)	(0.6)	-	3.1	2.5

20. SUPPLEMENTARY CASH FLOW INFORMATION

	February 29, 2012	February 28, 2011
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to resource property expenditures	**$ 4,187,462**	$ 1,622,084
Fair value assigned to Agents' warrants *(Note 12)*	**$ -**	$ -
Stock-based compensation, capitalized to resource properties *(Note 12)*	**$ 839,347**	$ 692,534
Income taxes paid	**$ -**	$ -
Interest paid	**$ -**	$ -

(Expressed in Canadian Dollars)

21. ASSETS HELD FOR SALE

Certain of the Company's resources properties (Note 8) located in Nevada, USA, including Cove, Relief Canyon and Mill Canyon have been presented as held for sale following the approval of management's decision to sell them.

The Relief Canyon transaction closed on April 6, 2012 with proceeds of US$2 million cash and 10 million units valued at US$0.40/unit, each unit comprised of 1 share of Pershing common stock (OTCBB: PGLC) and one half warrant, each whole warrant exercisable into one share of common stock at $0.60/share for two years. As additional consideration, Victoria will be granted a 2% net smelter return royalty on the production from all mining claims on the Property which are not subject to a royalty on behalf of Newmont.

The Mill Canyon transaction closed on June 1, 2012 with proceeds of US$15 million cash plus Barrick Gold Corporation's right, title and interest in the Santa Fe Property, located in Mineral County, Nevada, valued at US$4M. Additionally, Victoria became entitled to receive a contingent cash payment based on the occurrence of certain future events.

The Cove McCoy transaction closed on June 14, 2012 with total consideration of up to $48 million. Proceeds of $4 million cash and $4 million worth of Premier Gold Mines Limited ("Premier") common stock were received. An additional $10 million is due on each of June 14, 2013 and June 14, 2014 and can be satisfied with up to 50% of Premier common stock, at their discretion. An additional, contingent $20 million may be received in four instalments of $5 million each upon the cumulative production, to Premier's account, of 250,000, 500,000, 750,000, and 1,000,000 troy ounces of gold from this Project.

22. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss for the years ended as follows:

	Year ended February 29, 2012	Year ended February 28, 2011
Net Loss before recovery of income taxes	**$ 5,573,396**	**$ 2,513,014**
Expected income tax recovery	1,560,551	766,469
Increase (decrease) resulting from:		
Change in tax benefits not recognized	532,487	1,637,431
Under (over) provided in prior periods	804,241	(1,593,334)
Tax rate changes and other adjustments	(1,458,294)	(32,117)
Effect of flow-through renunciation	(1,314,316)	(1,102,950)
Non-deductible costs	(124,668)	324,501
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

The 2012 statutory tax rate of 28% differs from the 2011 statutory tax rate of 30.4% due to the reduction in federal and provincial substantively enacted tax rates.

The analysis of deferred tax assets and deferred tax liabilities is as follows:	2012	2011
Deferred tax assets	$ -	$ -
- Deferred tax asset to be recovered after more than 12 months	143,086	-
- Deferred tax asset to be recovered within 12 months	787,110	-
Deferred tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	(143,086)	-
- Deferred tax liability to be recovered within 12 months	(787,110)	-
Deferred tax assets (net)	$ -	$ -

Deferred income tax

The following table summarizes the components of deferred income tax:

	Tax losses	Mineral properties	**Total**
At March 1, 2011	-	-	-
Charged/(credited) to the income statement	930,196	(930,196)	-
At February 29, 2012	**930,196**	**(930,196)**	**-**

The Company did not recognize deferred income tax assets of $61,125,450 in respect of non-capital income tax losses, resource properties, financing costs, property and equipment for the year ended February 29, 2012 in the amount of $5,639,970 (year ended February 28, 2011 – $3,308,321), $4,205,950 (year ended February 28, 2011 – $972,100), $1,958,200 (year ended February 28, 2011 – $80,950), and $1,213,500 (year ended February 28, 2011 – $121,700), respectively that can be carried forward against future taxable income. Non-capital income tax losses expire from 2014 to 2032; resource properties and property and equipment have no expiry date. Financing costs expire from 2012 to 2016.