



(an exploration and development stage company)

Condensed Consolidated Interim Financial Statements

May 31, 2012 and 2011

(Unaudited)
(Expressed in Canadian Dollars)

Victoria Gold Corp.

(an exploration and development stage company)

May 31, 2012 and February 29, 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying condensed consolidated interim financial statements and all other financial information included in this report is the responsibility of management. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("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
July 30, 2012

(signed) "Marty Rendall"
CFO
July 30, 2012

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	May 31, 2012	February 29, 2012
Assets			
Current assets			
Cash and cash equivalents		\$ 12,784,644	\$ 19,663,714
Marketable securities	5	3,279,402	404,350
HST and other receivables		301,661	373,512
Prepaid expenses		548,804	516,946
		<u>16,914,511</u>	<u>20,958,522</u>
Assets held for sale	17	30,303,073	29,084,395
Non-current assets			
Restricted cash		874,017	838,133
Investment in associate	6	929,583	1,040,962
Property and equipment	7	5,863,727	6,025,612
Resource properties	8	77,446,473	69,807,669
		<u>88,113,800</u>	<u>87,712,376</u>
Total assets		<u>\$ 132,331,384</u>	<u>\$ 127,755,293</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 4,849,544	\$ 4,845,724
Current portion of ARO	10	74,681	85,995
		<u>4,924,225</u>	<u>4,931,719</u>
Non-current liabilities			
Asset retirement obligations ("ARO")	10	1,006,788	986,458
Total liabilities		<u>5,931,013</u>	<u>5,918,177</u>
Shareholders' Equity			
Share capital	11	151,388,890	151,388,890
Contributed surplus	12	11,970,682	11,501,792
Accumulated other comprehensive loss		(1,413,612)	(3,358,803)
Accumulated deficit		(35,545,589)	(37,694,763)
Total shareholder's equity		<u>126,400,371</u>	<u>121,837,116</u>
Total liabilities and equity		<u>\$ 132,331,384</u>	<u>\$ 127,755,293</u>

Nature of operations and going concern (Note 1)

See accompanying notes to the condensed consolidated interim financial statements.

Authorized for issue by the Board
of Directors on July 30th, 2012 and
signed on its behalf.

 "Hugh Agro" Director "Chris Hill" Director

Victoria Gold Corp.
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited)

(Expressed in Canadian Dollars)

	<i>Notes</i>	For the period ended	
		May 31,	May 31,
		2012	2011
Operating expenses			
Salaries and benefits excluding share-based payments		\$ 363,293	\$ 432,246
Share-based payments	12	286,028	360,251
Legal and accounting		161,296	143,605
Office and administrative		158,046	142,803
Consulting		122,583	52,050
Marketing		31,507	62,788
Amortization		4,885	4,390
Foreign exchange loss (gain)		(35,905)	23,009
Gain on disposal of assets held for sale		(4,876,386)	-
		<u>(3,784,653)</u>	<u>1,221,142</u>
Finance (income) costs			
Unwinding of present value discount: ARO		5,081	10,958
Interest and bank charges		1,503	1,100
Interest income		(30,697)	(49,275)
Change in fair value of marketable securities and warrants		1,572,692	33,300
		<u>1,548,579</u>	<u>(3,917)</u>
Share of net loss of associate	6	<u>86,900</u>	<u>107,277</u>
Net income (loss)		2,149,174	(1,324,502)
Other Comprehensive income (loss)			
Currency translation adjustment		1,969,670	(194,140)
Share of other comprehensive income (loss) of associate		(24,479)	144,480
		<u>(24,479)</u>	<u>144,480</u>
Total comprehensive income (loss) for the period		<u>\$ 4,094,365</u>	<u>\$ (1,374,162)</u>
Income (loss) per share - basic and diluted	9	<u>\$ 0.006</u>	<u>\$ (0.005)</u>
Weighted average number of shares			
Basic and diluted		339,364,598	276,922,466

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.

Condensed Consolidated Interim Statement of Changes in Shareholder's Equity

(Unaudited)

(Expressed in Canadian Dollars)

Notes	Share capital		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total equity	
	Number of shares	Amount					
	276,922,262	\$ 124,138,662	\$ 9,548,664	\$ (4,833,323)	\$ (30,194,104)	\$ 98,659,899	
	Transactions with owners:						
	37,500	22,500				22,500	
	Fair values allocated upon exercise:						
		3,750	(3,750)			-	
			360,251			360,251	
			244,741			244,741	
	37,500	26,250	601,242	-	-	627,492	
	Net loss for the period						
					(1,324,502)	(1,324,502)	
	Other comprehensive income/(loss):						
	Share of other comprehensive income of associates						
				144,480		144,480	
	Currency translation adjustment						
				(194,140)		(194,140)	
Balance at May 31, 2011	11	276,959,762	\$ 124,164,912	\$ 10,149,906	\$ (4,882,983)	\$ (31,518,606)	\$ 97,913,229
		339,364,598	\$ 151,388,890	\$ 11,501,792	\$ (3,358,803)	\$ (37,694,763)	\$ 121,837,116
	Transactions with owners:						
			286,028			286,028	
			182,862			182,862	
		-	468,890	-	-	468,890	
	Net income for the period						
					2,149,174	2,149,174	
	Other comprehensive income/(loss):						
	Share of other comprehensive loss of associates						
				(24,479)		(24,479)	
	Currency translation adjustment						
				1,969,670		1,969,670	
Balance at May 31, 2012	11	339,364,598	\$ 151,388,890	\$ 11,970,682	\$ (1,413,612)	\$ (35,545,589)	\$ 126,400,371

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Condensed Consolidated Interim Statement of Cash Flows

(Unaudited)

(Expressed in Canadian Dollars)

		For the period ended	
		May 31,	May 31,
	Notes	2012	2011
Cash flows from operating activities			
Net income (loss) for the period		\$ 2,149,174	\$ (1,324,502)
Adjustments for:			
Share-based payments	12	286,028	360,251
Loss on disposal of property and equipment		(10,104)	-
Share of net loss of associate		86,900	107,277
Unwinding of present value discount: ARO	10	5,081	10,958
Gain on sale of assets held for sale		(4,866,282)	-
Increase in marketable securities and warrants	5	7,504	(9,000)
Change in fair value of marketable securities and warrants		1,572,692	33,300
Amortization		4,885	4,390
Net unrealized foreign exchange loss		(84,369)	26,261
		<u>(848,491)</u>	<u>(791,065)</u>
Working capital adjustments:			
(Increase) decrease in HST and other receivables		71,851	313,165
(Increase) decrease in prepaid expenses		(118,173)	(2,547)
Increase (decrease) in accounts payables and accrued liabilities		231,305	841,457
		<u>184,983</u>	<u>1,152,075</u>
Net cash flows from (used in) operating activities		<u>(663,508)</u>	<u>361,010</u>
Cash flows used in investing activities			
Resource properties	8	(8,278,015)	(7,081,659)
Cash received from disposition of assets held for sale		1,997,553	-
Restricted cash		1,852	1,884
Purchase of property and equipment		(21,217)	(582,738)
Proceeds on disposition of property and equipment		14,221	-
Net cash flows used in investing activities		<u>(6,285,606)</u>	<u>(7,662,513)</u>
Cash flows from financing activities			
Exercise of warrants and options	11 & 12	-	22,500
Net cash flows from financing activities		<u>-</u>	<u>22,500</u>
Foreign exchange gain (loss) on cash balances		70,044	(26,015)
Net (decrease) in cash and cash equivalents		<u>(6,879,070)</u>	<u>(7,305,019)</u>
Cash and cash equivalents, beginning of the period		<u>19,663,714</u>	<u>25,666,536</u>
Cash and cash equivalents, end of the period		<u>\$ 12,784,644</u>	<u>\$ 18,361,517</u>

See accompanying notes to the condensed consolidated interim financial statements. Supplementary Cash Flow information is Note 16.

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(an exploration and development stage company)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2012 and 2011

(Unaudited)

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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 May 31, 2012, Victoria Gold Corp. ("Victoria" or "the Company") had a working capital surplus of \$11,990,286 (compared with a surplus of \$16,026,803 at February 29, 2012), reported a net gain of \$2,149,174 (2011 net loss - \$1,324,502) and accumulated deficit of \$35,545,589 (\$37,694,763 at February 29, 2012). 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 condensed consolidated interim 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 condensed consolidated interim 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 unaudited condensed consolidated interim financial statements for the three months ended May 31, 2012 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended February 29, 2012, which have been prepared in accordance with IFRSs.

These condensed consolidated interim 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.

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StrataGold Corporation, StrataGold (Barbados) Corporation, Tassawini Gold (Barbados) Corporation and (together referred to as "StrataGold") were acquired by the Company on June 4, 2009.

During the year ended February 29, 2012, the Company dissolved StrataGold (Barbados) Corporation, a Barbados corporation and Tassawini Gold (Barbados) Corporation, a Barbados corporation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual results could differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended February 29, 2012.

5. MARKETABLE SECURITIES AND WARRANTS

	<u>May 31,</u> <u>2012</u>	<u>February 29,</u> <u>2012</u>
Current investments		
Opening balance	\$ 404,350	\$ 162,850
Additions	4,447,744	306,500
Change in fair value	<u>(1,572,692)</u>	<u>(65,000)</u>
Financial assets at fair value through profit and loss	<u>\$ 3,279,402</u>	<u>\$ 404,350</u>

During the quarter, 10,000,000 shares and 5,000,000 warrants of Pershing Gold were acquired as a result of the Relief Canyon sale (*Note 17*).

6. INVESTMENT IN ASSOCIATE

	<u>May 31,</u> <u>2012</u>	<u>February 29,</u> <u>2012</u>
Takara Resources Inc. – 22,208,355 common shares	\$ 1,040,962	\$ 2,859,887
Share of net loss	(86,900)	(377,733)
Impairment of investment in associate	-	(1,527,122)
Share of other comprehensive (loss) income	<u>(24,479)</u>	<u>85,930</u>
	<u>\$ 929,583</u>	<u>\$ 1,040,962</u>

At May 31, 2012, the Company held 23.42% of the issued and outstanding shares of Takara.

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7. PROPERTY AND EQUIPMENT

	Other assets	Assets under construction	Buildings/ structure	Field & automotive equipment	Leasehold improvements	Land	Total
Cost							
March 1, 2011	\$ 105,350	\$ 5,023,380	\$ -	\$ 104,277	\$ -	\$ 307,855	\$ 5,540,862
Additions	-	(5,023,380)	5,023,380	-	-	-	-
Disposals	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
Additions	9,361	-	-	11,856	-	-	21,217
Disposals	-	-	-	(12,397)	-	-	(12,397)
May 31, 2012	\$ 316,999	\$ -	\$ 5,939,519	\$ 185,506	\$ 139,542	\$ 307,855	\$ 6,889,421
Accumulated amortization							
March 1, 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
Additions	22,249	-	145,281	5,177	6,279	-	178,986
Disposals	-	-	-	(8,281)	-	-	(8,281)
May 31, 2012	\$ 139,854	\$ -	\$ 799,854	\$ 65,753	\$ 20,233	\$ -	\$ 1,025,694
Net book value							
March 1, 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
May 31, 2012	\$ 177,145	\$ -	\$ 5,139,665	\$ 119,753	\$ 119,309	\$ 307,855	\$ 5,863,727

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

Victoria Gold Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

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8. RESOURCE PROPERTIES

	February 2011	Additions	Currency Translation	Transfers (Note 17)	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
	<u>\$66,021,635</u>	<u>\$33,519,855</u>	<u>\$ (649,425)</u>	<u>\$ (29,084,395)</u>	<u>\$ 69,807,669</u>
	February 29, 2012	Additions	Currency Translation	Transfers (Note 17)	May 31, 2012
Big Springs (Nevada) *	\$ 6,756,076	\$ 87,974	\$ 334,217	\$ -	\$ 7,178,267
Santa Fe (Nevada)	4,338,657	69,408	214,629	-	4,622,694
Dublin Gulch (Yukon)	57,905,142	6,910,987	-	-	64,816,129
Other properties ***	807,795	21,588	-	-	829,383
	<u>\$ 69,807,669</u>	<u>\$ 7,089,957</u>	<u>\$ 548,846</u>	<u>\$ -</u>	<u>\$ 77,446,473</u>

* Big Springs includes the Golden Dome, Island Mountain, Dorsey Creek and Mac Ridge properties.

*** Other properties include Wattabaeg and Russell Creek in Ontario and Donjek, Aurex, Eureka, Canalask, Clear Creek and Hyland in Yukon Territory and Jack Creek in Nevada.

9. 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 period.

	For the three months ended May 31,	
	2012	2011
Net income (loss)	\$ 2,149,174	\$ (1,324,502)
Weighted average number of common shares issued	<u>339,364,598</u>	<u>276,922,466</u>
Basic earnings (loss) per share	<u>\$ 0.006</u>	<u>\$ (0.005)</u>

(b) Diluted

The fully diluted earnings per share is calculated using the common share balance increased by the number of common shares that could be issued under outstanding in the money warrants and options of the Company.

Victoria Gold Corp.
 (an exploration and development stage company)
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended May 31, 2012 and 2011

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 (Expressed in Canadian Dollars)

	For the three months ended	
	May 31,	
	2012	2010
Net income (loss) attributable to common shareholders	\$ 2,149,174	\$ (1,324,502)
Weighted average number of common shares issued	339,364,598	276,922,466
Adjustment for:		
Warrants	-	-
Stock options	2,189,375	-
Weighted average number of ordinary shares for diluted earnings per share	341,553,973	276,922,466
Diluted earnings (loss) per share	\$ 0.006	\$ (0.005)

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, 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:

- a) Total undiscounted amount of inflation adjusted future reclamation costs was determined to be \$1,322,527;
- 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.

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

	May 31,	February 29,
	2012	2012
Balance, beginning of period	\$ 1,072,453	\$ 1,194,040
Unwinding of discount: ARO	5,081	44,403
Currency translation	23,411	(110,752)
Change in ARO estimates capitalized to resource properties	(19,476)	(55,238)
Balance, end of period	1,081,469	1,072,453
Less: Current portion	(74,681)	(85,995)
Long-term liability	\$ 1,006,788	\$ 986,458

Included in ARO are amounts specific to the assets held for sale, Cove \$110,453 and Mill Canyon \$133,101.

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Notes to the Condensed Consolidated Interim Financial Statements

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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 276,959,762 shares as at May 31, 2012 and 2011, respectively.

Warrants

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

	May 31, 2012			February 29, 2012		
	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	4,776,000	\$ 0.55	\$ 999,456
Exercised	-	-	-	-	\$ -	-
Expired	(4,776,000)	0.55	(999,456)	-	\$ -	-
Outstanding, end of the period	-	\$ -	-	4,776,000	\$ 0.55	\$ 999,456

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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 May 31, 2012, 14,022,175 (13,985,302 as at February 29, 2012) additional stock options were available for grant under the Company's stock option plan.

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 May 31, 2012 and as at February 29, 2012, and changes during the periods ended on those dates is presented below:

	May 31, 2012			February 29, 2012		
	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 period	19,951,157	\$ 0.59	\$6,695,104	13,782,340	\$ 0.71	\$5,325,059
Granted	930,000	\$ 0.27	155,031	7,825,000	\$ 0.46	2,144,875
Exercised	-	\$ -	-	(105,000)	\$ 0.36	(15,223)
Expired	(478,122)	\$ 0.57	(47,822)	(907,433)	\$ 1.10	(381,346)
Forfeited	(488,750)	\$ 0.49	(144,955)	(643,750)	\$ 1.04	(378,261)
Outstanding, end of the period	19,914,285	\$ 0.59	\$6,657,358	19,951,157	\$ 0.59	\$6,695,104

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As at May 31, 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
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	2,167,500	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	5,697,500	764,375	\$ 0.40	January 20, 2017
May 28, 2012	930,000	116,250	\$ 0.27	May 28, 2017
	19,914,285	12,374,910		

The June 11, June 26 and July 25, 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 May 28, 2012, the Company granted 930,000 incentive stock options with an exercise price of \$0.27 per option to employees of the Company. The stock options have a term of five years and expire on May 18, 2017. The fair value of these options totalling \$155,031 will be recognized (capitalized to resource properties) over the vesting periods, of which \$35,798 has been recognized as at May 31, 2012. The fair value of these options was calculated based on a risk-free annual interest rate of 1.55%, an expected life of 4.9 years, an expected volatility of 83% and a dividend yield rate of nil. This results in an estimated value of \$0.17 per option at the grant date using the Black-Scholes option-pricing model.

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. 417,500 of these options were forfeited as at May 31, 2012. The

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stock options have a term of five years and expire on January 20, 2017. The fair value of these options totalling \$1,405,573 will be recognized (\$811,958 expensed and \$593,615 capitalized to resource properties) over the vesting periods, of which \$832,794 has been recognized (\$476,078 expensed and \$356,716 capitalized) as at May 31, 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.

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. 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 three months ended May 31, 2012 and 2011 was as follows:

	<u>2012</u>	<u>2011</u>
Salaries and other short term employment benefits	\$ 320,225	\$ 349,989
Share based compensation	\$ 217,739	\$ 317,406

The amounts above have been awarded solely to officers of the Company for work performed in their full-time capacity for the Company.

14. COMMITMENTS AND CONTINGENCIES

Operating Leases

At May 31, 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	\$ 335,879	\$ 22,311
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	\$ 1,347,802	\$ 37,386

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15. 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
May 31, 2012				
Assets held for sale (<i>Note 17</i>)	-	30.3	-	30.3
Investment in associate (<i>Note 6</i>)	0.9	-	-	0.9
Property and equipment	5.7	-	0.1	5.9
Resource properties	65.6	11.8	-	77.4
Total Assets	75.7	42.1	14.5	132.3
Net loss/(gain)	0.1	(4.9)	2.7	(2.1)
February 29, 2012				
Assets held for sale (<i>Note 17</i>)	-	29.1	-	29.1
Investment in associate (<i>Note 6</i>)	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

16. SUPPLEMENTARY CASH FLOW INFORMATION

	May 31, 2012	February 29, 2012
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 3,398,791	\$ 4,187,462
Stock-based compensation, capitalized to resource properties (<i>Note 12</i>)	\$ 182,862	\$ 839,347
Non cash proceeds on sale of assets held for sale	\$ 4,474,534	\$ -
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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17. 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.

	February 29, 2012	Additions	Currency Translation	Sales	May 31, 2012
Mill Canyon (Nevada)	\$ 10,432,483	\$ 51,842	\$ 529,700	\$ -	\$ 11,014,025
Relief Canyon (Nevada)	1,562,225	24,294	-	(1,586,519)	-
Cove (Nevada)	17,089,687	1,331,648	867,713	-	19,289,048
	<u>\$ 29,084,395</u>	<u>\$ 1,407,784</u>	<u>\$ 1,397,413</u>	<u>\$ (1,586,519)</u>	<u>\$ 30,303,073</u>

The Relief Canyon transaction closed on April 5, 2012 with proceeds of US\$2 million cash and 10 million shares valued at US\$0.37/share, of Pershing Gold Corp. common stock (OTCBB: PGLC) and 5 million warrants valued at US\$0.20/warrant, each 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. As a result of this transaction, the Company recognized a gain of \$4,876,386 during the quarter.

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.