Victoria GOLD CORP

(an exploration and development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three and nine months ended November 30, 2012

DATED: January 29, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis has been prepared as at January 29, 2013, and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Victoria Gold Corp. (the "Company" or "Victoria") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following management's discussion and analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and the notes thereto of the Company for the three and nine months ended November 30, 2012 and the audited consolidated financial statements and the notes thereto of the Company for the year ended February 29, 2012. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

These consolidated financial statements and MD&A contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production and the timing thereof and costs and timing of drilling campaigns, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, exploration and drilling success or failure, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, securing financing, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.
Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

OVERVIEW

Victoria Gold is an emerging gold producer whose flagship asset is its 100% owned Dublin Gulch property which hosts the Eagle Gold Deposit. Dublin Gulch is situated in central Yukon, Canada, approximately 375 kilometers north of the capital city of Whitehorse. The property covers an area of approximately 650 square kilometers, is accessible by road year-round and is located within Yukon Energy's service area.

CORPORATE ACTIVITIES (since March 1, 2012)

On March 27, 2012, Victoria announced that it had accepted an offer from Pershing Gold Corp ("Pershing") to purchase Victoria's interest in the Relief Canyon Property. The definitive asset purchase agreement was dated March 23, 2012. The transaction closed on April 5, 2012 and included proceeds of US$2 million cash plus 10 million shares of Pershing common stock. Additionally, Victoria received warrants to purchase 5 million shares of Pershing common stock at a price of $0.60 per share for a period of 2 years plus a 2% net smelter returns royalty on certain claims within the Relief Canyon Property.

On April 10, 2012, Victoria announced that it had accepted an offer from Premier Gold Mines ("Premier") to purchase Victoria's interest in the Cove Property. On June 6, 2012, Victoria announced the execution of a definitive asset purchase agreement, dated June 4, 2012, in connection with the sale. The transaction closed on June 14, 2012 and included total consideration of up to $48 million. Proceeds of $4 million cash and $4 million worth of 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 Premier's 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 the Cove Property.

On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. The transaction closed on June 1, 2012 and included proceeds of US$15 million cash plus Barrick's right, title and interest in the Santa Fe Property, located in Mineral County, Nevada, valued at $4 million. Additionally, Victoria became entitled to receive a contingent cash payment of US$5 million based on the occurrence of certain future events.

On May 29, 2012, the Company announced that Mr. Richard Eliason had been appointed to Vice President, Exploration. Rich has spent over 25 years in exploration, mine geology, project generation and management in Canada, Eastern Europe and the US. Rich most recently held the position of Manager Exploration – Nevada for Victoria Gold. Previous to this, he held senior exploration and mining positions with Minorco, AngloGold, Queenstake Resources, Yukon-Nevada Gold, and Tournigan Resources.

On September 4, 2012, the Company announced that the Yukon Environmental and Socio-Economic Assessment Board ("YESAB") had completed the Draft Screening Report for the Eagle Gold Project. The report concluded, "As a result of this assessment, the Executive Committee recommends to the Decision Bodies that the Eagle Gold Project be allowed to proceed without a review, subject to terms and conditions identified in this Report."

On September 19, 2012, the Company held its Annual General Meeting ("AGM") in Toronto, Ontario. All resolutions voted upon at the AGM were passed including the appointment of T. Sean Harvey, John McConnell, Edward Dowling, Christopher Hill, Leendert Krol and Michael McInnis to act as directors of the Company until the next Annual General Meeting.

On November 27, 2012, Victoria announced that it had entered into a letter of intent to sell its interest in the Big Springs Property, located in Elko County, Nevada, to MRG Copper LLC which is a US subsidiary of Big Springs Project Pty Ltd. ("MRG"). The transaction is expect to close in the first quarter of 2013 and includes proceeds of US$4 million cash plus a further US$2 million cash which is contingent upon the fulfillment of certain milestones.

EXPLORATION AND DEVELOPMENT ACTIVITIES

The Company has incurred resource expenditures since inception and through November 30, 2012, net of property impairments and sales, totalling $88.9 million including the acquisitions of StrataGold ($11.4 million), Gateway ($5.2 million) and the remaining 40% of the Santa Fe property ($4.0 million). During the nine months ended November 30, 2012, the Company incurred resource property expenditures totalling $26.4 million, including the remaining 40% of the Santa Fe property ($4.0 million).

Comparatively, the Company had incurred resource expenditures since inception and through November 30, 2011, net of property impairments and sales, totalling $91.6 million including the acquisitions of StrataGold ($11.4 million) and Gateway ($5.2 million). During the nine months ended November 30, 2011, the Company incurred resource property expenditures totalling $25.6 million.

PROPERTY SUMMARIES

PROPERTY	COMPLETED ACTIVITIES [1] (MARCH 1, 2012 – JANUARY 29, 2013)	OUTLOOK [2] (THREE TO SIX MONTHS FORWARD)
Dublin Gulch - Eagle Gold Project (and adjacent Steiner Zone)	In March 2012, the Company released the first batch of assay results from the 2012 Eagle drilling program. In May 2012, the Company released the second batch of assay results from the 2012 Eagle drilling program. In September 2012, the Company released the third and final batch of assay results from the 2012 Eagle drilling program. In September 2012, the Yukon Environmental and Socio-Economic Assessment Board delivered the Draft Screening Report and recommended that the Eagle gold Project be allowed to proceed without a review.	With the Adequacy, Screening and Report phases of the environmental assessment process complete, the Company will continue with the Decision phase which concludes with the issuance of a Decision Document. Prepare and submit applications for the water use license, quartz mining license and ancillary permits to support mine development and operations. Secure Power for commercial operations. Continue detailed engineering and optimization and start construction.
Dublin Gulch – Potato Hills Trend and NND Cat B land (and other targets)	In September 2012, Victoria and the First Nation of Na-Cho Nyak Dun ('NND') announced the signing of an Access and Exploration Agreement on NND Category B Lands adjacent to Victoria's Dublin Gulch Project, nearly doubling the Company's land package within NND traditional territory in Yukon, Canada. In October 2012, the Company completed a soil sampling program on the NND Cat B land. In October 2012, the Company released assay results from the first six of eleven diamond drill holes on the Olive target. In January 2013, the Company released assay results from the last five of eleven diamond drill holes on the Olive target.	Using the information from the NND Cat B soil sampling program to develop targets for future exploration work; including geophysics and drilling. Victoria's exploration team is drafting the 2013 exploration program to follow up on the Olive as well as other targets on the Dublin Gulch property.
Santa Fe	The Nevada exploration team has identified targets and developed an exploration program. On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement to sell Victoria's interest in the Mill Canyon Property. As part of the consideration for the Mill Canyon Property, Victoria received all of Barrick's right, title and interest Santa Fe and now holds a 100% interest in the property.	Target prioritization for possible drilling.

PROPERTY	COMPLETED ACTIVITIES [1] (MARCH 1, 2012 – JANUARY 29, 2013)	OUTLOOK [2] (THREE TO SIX MONTHS FORWARD)
Big Springs	In November 2012, Victoria announced that it had entered into an agreement to sell its Big Springs Property.	Close the sale of the property.

Notes:

1 COMPLETED ACTIVITIES includes the period from the start of the current fiscal period (March 1, 2012) through the date of this document (January 29, 2013).

2 OUTLOOK includes forward-looking statements which are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. See page 1 "FORWARD-LOOKING STATEMENTS".

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES & OUTLOOK

Dublin Gulch, Yukon

The Dublin Gulch property includes the Eagle Gold Project and the Wolf Tungsten Deposit (previously referred to as the Mar-Tungsten Deposit). The property is located 85 km by road north of the village of Mayo in the Yukon, Canada. The property is centered on the confluence of the Haggart Creek and Dublin Gulch, at approximately 64°02' N and 135°50' W. The property comprises an aggregate area of 64,608 hectares.

On December 1, 2008, a NI 43-101 Preliminary Assessment for the Wolf Tungsten Deposit, formerly Mar Tungsten, was filed on www.sedar.com.

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 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 the said 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 historically known as the Mar Tungsten Property and Mar Tungsten Leases, a 1% NSR royalty.

Eagle Gold Project (and adjacent Steiner Zone), Dublin Gulch, Yukon

On May 5, 2011, a NI 43-101 Technical Report outlining an updated mineral resource prepared by Wardrop, a Tetra Tech Company ("Wardrop") on the Eagle Gold Project was filed on www.sedar.com.

Eagle Zone Resource Summary May 2011 (Ordinary Kriging)

Indicated	**Tonnes**	**Grade(G AU/T) No Cap**	**Grade(G AU/T) Capped**	**Gold(Ounces*) No Cap**	**Gold(Ounces*) Capped**
Granodiorite	203,280,554	0.70	0.68	4,580,805	4,475,397
Metasediment	18,913,024	0.68	0.63	412,016	385,603
Total/Average	222,193,578	0.70	0.68	4,992,821	4,861,001
Inferred	**Tonnes**	**Grade(G AU/T) No Cap**	**Grade(G AU/T) Capped**	**Gold(Ounces*) No Cap**	**Gold(Ounces*) Capped**
Granodiorite	68,019,034	0.60	0.58	1,302,859	1,276,558
Metasediment	9,911,733	0.87	0.68	275,848	218,196
Total/Average	77,930,767	0.63	0.60	1,578,707	1,494,754

* 1 troy ounce = 31.10348 grams

In February 2012, the Company released the results of a National Instrument 43-101 definitive feasibility study on the Eagle Gold Project. The feasibility study was prepared under the direction of Tetra Tech, Inc. ("Tetra Tech"), an industry leading, international engineering firm, supported by a globally recognized feasibility study team, all of whom were independent of the Company, including:

- Merit Consultants International Inc. ("Merit"), responsible for the capital cost estimate ("CCE") and construction and project execution activities;
- SRK Consulting (U.S.) Inc ("SRK"), responsible for the in-pit Mineral Resource;
- BGC Engineering ("BGC"), responsible for geotechnical engineering pertaining to on-site infrastructure, waste rock storage area and pit slopes;
- Kappes, Cassiday & Associates ("KCA"), responsible for metallurgy; and
- Knight Piésold, responsible for water management.

The feasibility study built upon the pre-feasibility study completed by Scott Wilson RPA (see news release dated, March 9, 2010) and confirmed the technical and financial viability of constructing and operating a 29,500 tonne/day ("tpd") open-pit gold mine including a three-stage crush, in-valley heap leaching and adsorption desorption gold recovery plant ("ADR plant") operation at Eagle.

Highlights of the Feasibility Study (all amounts in Canadian dollars unless otherwise stated)	
Proven and Probable Gold Reserves (oz)	2,300,768
Average Annual Gold Production (oz, first 5 years)	211,000
Average Annualized Gold Production (oz, LOM)	192,000
Initial CapEx	$382,799,000
Capitalized Pre-stripping for mining operations	$16,941,000
OpEx ($ per tonne processed, first 5 years)	$11.95
OpEx ($ per tonne processed, LOM)	$12.21
Operating Cost per ounce ($US/oz, first 5 years)	$542

Probable Mineral Reserves of 92 million tonnes of ore grading 0.78 grams per tonne (g/t) result in 2.3 million contained ounces of gold. Life of mine ("LOM") payable gold production is 1.7 million ounces. Initial capital costs were estimated to be $382.8 million including contingency, excluding working capital of $31.2 million and pre-stripping of $16.9 million.

In-Pit Mineral Resources

SRK estimated an in-pit gold Resource for the purpose of mine planning using Inverse Distance Squared at a cut-off grade of 0.2 g/t constrained within a $1,500 pit optimization shell. A total of 22,439 assay intervals with gold assays in 183 drill holes were used to define a wireframe with assays capped at 13.0 g/t Au. The capped gold assays were composited into 3 m intervals from the top of the drill hole with breaks at the wireframe boundary. Composite intervals less than 0.5 m in length were added to the composite immediately above. A block model with a block size of 15 m x 15 m x 7.5 m was used for the grade estimation.

Mineral Reserves

Probable Mineral Reserves are the economically minable portions of the Measured and Indicated in-pit Mineral Resources as demonstrated by the feasibility study.

Eagle Mineral Reserves			
Classification	**Ore 000's tonnes**	**Gold g/t**	**Contained Gold ozs**
Probable	**91,594**	**0.78**	**2,300,768**

Mining

Eagle is an open pit mine and will operate as a drill, blast, shovel and haul operation with a nominal rate of 29,500 tpd ore and mine life of 9 years. Ore will be hauled to the first stage crushing unit located toward the north east

side of the pit. Total ore to be mined and processed is 91.6 million tonnes grading 0.78 g/t for a total contained 2.3 million ounces gold. Grades are significantly higher in the initial 3 years and include 21.6 million tonnes of ore grading 0.94 g/t, significantly accelerating cash flows in the first few years of operations.
Waste rock will be hauled to one of two waste rock storage areas immediately to the south and north of the open pit. Waste rock storage will be managed to allow for future pit expansion. The ratio of waste to ore is favourable at 1.45 to 1 and total waste material is 132.4 million tonnes.

Processing
Ore will be hauled from the open-pit to the primary crusher at a nominal rate of 29,500 tpd. Following the primary crusher, the ore will be conveyed through a secondary and tertiary crushing circuit to a final size of 6.3mm and conveyed to an in-valley heap leach pad. Ore will be stacked in 10m lifts using grasshopper conveyors and leached for 150 days. The pregnant solution, laden with gold once leaching is complete, will be pumped to an ADR plant where gold will be stripped from the solution and poured into doré bars. Life of mine recovery is estimated at 72.6% with significantly higher recovery in the initial three years as a result of greater oxidation of ore in the upper portion of the pit.

Infrastructure
The project is well supported by local infrastructure. Eagle is accessed via an existing year-round road connecting to the Silver Trail Highway. Grid power currently runs along the highway and Victoria has a letter of intent in place with the Yukon Energy Corp to support grid power via a spur line to be constructed along the existing access road. A sizable gravel airstrip is located in Mayo approximately 85km by road from the project site. An existing construction ready 100-person camp is currently operational at site. All mine site infrastructure to be built for Eagle is located within a few kilometers ("km") of the open pit.

Capital Costs
The initial capital cost for Eagle is estimated (in Q1 2012 dollars) at CND $382.8 million with an accuracy of 15%, includes contingency of $38.2 million and excludes $16.9 million in pre-stripping for mining operations. The contingency allowance was calculated based on assessed risk factors for each of the major capital cost categories. Direct costs include the mining fleet, crushers, heap leach, processing plant, power, water management systems, infrastructure, communications and temporary construction camp. Indirect costs include initial fills, spares, commissioning and start-up, engineering and procurement, construction management and freight and logistics.
Life of mine sustaining capital costs are estimated at $132.9 million and closure costs (net of salvage value) are $64.2 million.

Initial Capital Cost Estimate (all amounts in Canadian dollars unless otherwise stated):

Initial Capital Cost Estimate (all amounts in Canadian dollars unless otherwise stated)	
Mining	$ 36,266,000
Site General	$ 33,522,000
Process	$ 96,399,000
Ancillaries	$ 21,153,000
Power Supply & Distribution	$ 11,113,000
Water Management	$ 5,085,000
Heap Leach Pad	$ 63,833,000
Owner's Costs	$ 8,913,000
Indirect Costs	$ 68,277,000
Contingency	$ 38,238,000
Total Directs, Indirects, Owner's Cost, including Contingency	**$ 382,799,000**

(exclusive of $16.9 million pre-stripping for mining operations)

Operating Costs

LOM site operating costs, are CAD $12.21 per tonne processed, as summarized below:

Year	Tonnes Leached (000's)	Average Grade (g/t Au)	Gold Produced (oz)	Cost ($CAD per tonne leached)	Operating Cost ($USD per oz)
2014	1,284	0.89	23,719	$ 12.64	$ 629
2015	9,720	0.93	207,132	$ 12.84	$ 554
2016	10,607	0.96	233,119	$ 11.28	$ 472
2017	10,544	0.89	215,040	$ 11.63	$ 525
2018	10,589	0.80	201,180	$ 11.92	$ 577
2019	10,634	0.78	202,216	$ 12.08	$ 584
2020	10,647	0.78	190,141	$ 11.34	$ 584
2021	10,654	0.63	153,346	$ 11.47	$ 733
2022	10,302	0.59	136,377	$ 11.71	$ 814
2023	6,613	0.58	88,558	$ 11.41	$ 784
2024			17,924		
2025			3,745		
Total or Average	**91,594**	**0.78**	**1,672,496**	**$ 12.21**	**$ 615**

Financial Analysis

Base case: consensus based long-term gold price US$1,325/ounce gold and US$/CAD$ exchange rate of $0.92:

- Net Present Value (NPV) at 5% is **$380.8 million**, pre-tax
- NPV at 8% is **$273.1 million**, pre-tax
- Internal Rate of Return (IRR) is **24.1%**
- Payback is **3.1 years**

Gold Price ($USD)	FOREX (CAD/US)	IRR (%), pre-tax	NPV, 5%, (M$)	Pay Back (yrs)
1,200	0.92	17.2%	224	3.7
1,325	0.92	24.1%	381	3.1
1,400	0.92	27.8%	475	2.8
1,600	0.92	36.9%	726	2.3
1,800	0.92	45.1%	976	1.9
2,000	0.92	52.8%	1,227	1.7

Capital Cost and Operational Cost Estimates

On April 9, 2012, the Company filed a feasibility study in respect of the Eagle Gold Project, which provided certain capital and operating cost estimates in respect of the development and operation of such project. Since the date of the filing of such study, the Company is of the view there has been an industry-wide escalation in the estimated costs of many mining projects. While the Company is not in possession of updated capital cost or operating cost estimates, the Company may not be immune to the effects of this trend.

In March 2012, the Company released the first batch of assay results from the 2012 Eagle drilling program. The program was designed to explore for additional and higher-grade gold mineralization within the planned open pit limits and to provide information for geological interpretations of ore controls. Assay results confirmed expanded gold potential. New geological information also improved the understanding of the deposit.

Highlights of the program included:

- DG11-467C: 99.00 meters of 0.992 g/t gold, including 36.96 meters of 1.829 g/t gold
- DG11-469C: 86.75 meters of 1.034 g/t gold, including 18.55 meters of 3.068 g/t gold
- DG11-470C: 119.91 meters of 0.965 g/t gold, including 13.25 meters of 3.854 g/t gold DG12-472C: 239.68 meters of 0.941 g/t gold, including 47.20 meters of 2.072 g/t gold

In May 2012, the Company released the second batch of assay results from the 2012 Eagle drilling program.

Program Results

Drill Hole No.	From (m)	To (m)	Length (m)	Grade (g/t Au)
DG11-468C	**126.50**	**155.00**	**28.50**	**1.21**
including	*143.00*	*144.50*	*1.50*	*8.32*
DG12-471C	**235.74**	**272.00**	**36.26**	**1.59**
including	*256.30*	*257.54*	*1.24*	*15.75*
DG12-473C	**278.49**	**313.27**	**34.78**	**1.46**
DG12-474C	**120.00**	**132..56**	**12.56**	**2.14**
DG12-475C	**212.00**	**254.00**	**42.00**	**1.48**
DG12-476C	**46.00**	**61.00**	**15.00**	**2.19**
including	*49.00*	*52.00*	*3.00*	*7.86*
DG12-477C	**201.50**	**257.00**	**55.50**	**1.77**
including	*209.00*	*213.50*	*4.50*	*5.51*
DG12-478C	**32.80**	**37.50**	**4.70**	**4.53**
DG12-479C	**387.50**	**426.50**	**39.00**	**1.42**
including	*405.50*	*410.00*	*4.50*	*3.32*
DG12-480C	**23.27**	**44.03**	**20.76**	**1.79**
including	*41.48*	*44.03*	*2.55*	*6.02*
DG12-481C	**123.52**	**126.66**	**3.14**	**2.59**
DG12-482C	**120.50**	**128.00**	**7.50**	**1.46**
DG12-484C	**45.50**	**50.00**	**4.50**	**1.00**
DG12-486C	**59.00**	**68.00**	**9.00**	**2.02**
DG12-487C	**204.50**	**217.10**	**12.60**	**2.38**
DG12-488C	**48.00**	**52.50**	**4.50**	**2.37**

***** DG11-469C, DG11-470C and DG12-472C were reported in an earlier press release.

** DG12-483C and DG12-485C had no significant assay intervals.

***Intersection lengths represent approximately 70% of estimated apparent true thickness.

In September 2012, the Company released the third and final batch of assay results from the 2012 Eagle program.

Program Results

Drill Hole No.	From (m)	To (m)	Length (m)	Grade (g/t Au)
DG12-490C	**204.00**	**216.00**	**12.00**	**2.07**
including	*212.50*	*214.60*	*2.10*	*6.84*
DG12-495C	**16.30**	**57.10**	**40.80**	**0.87**
DG12-496C	**286.50**	**294.00**	**7.50**	**6.66**
including	*288.00*	*291.00*	*3.00*	*15.87*
DG12-497C	**301.50**	**321.00**	**19.50**	**3.61**
including	*311.00*	*312.00*	*1.00*	*35.40*
DG12-498C	**225.30**	**230.70**	**5.40**	**2.52**
DG12-499C	**182.00**	**225.50**	**43.50**	**1.20**
DG12-502C	**332.60**	**337.80**	**5.20**	**5.89**
DG12-505C	**210.50**	**216.50**	**6.00**	**2.33**
DG12-506C	**61.50**	**85.00**	**23.50**	**1.69**
DG12-509C	**171.00**	**181.30**	**10.30**	**2.47**
DG12-510C	**346.50**	**352.70**	**6.20**	**2.82**
DG12-512C	**83.50**	**97.20**	**13.70**	**2.35**
including	*88.90*	*91.00*	*2.10*	*12.20*
DG12-514C	**161.50**	**166.50**	**5.00**	**3.82**
DG12-522C	**26.40**	**57.80**	**31.40**	**1.62**
DG12-524C	**92.35**	**99.09**	**6.74**	**7.77**

During the remainder of fiscal 2012, the Company expects to:

(a) prepare applications for the water use license, quartz mining license and ancillary permits to support mine development and operations; and

(b) continue engineering and detail design in anticipation of starting construction.

Potato Hills Trend, NND Cat B land (and other targets), Dublin Gulch, Yukon

During the period from June 26, 2012, the date of the Company's last annual MD&A, through to the date of this report, the Company has completed target identification and developed exploration programs for the Potato Hills Trend.

In September, 2012, Victoria and the First Nation of Na-Cho Nyak Dun ('NND') announced the signing of an Access and Exploration Agreement on NND Category B Lands adjacent to Victoria's Dublin Gulch Project.

The Category B Lands Access and Exploration Agreement applies to 1,443 claims Victoria staked on two parcels of NND Category B Land adjacent to the west and south boundaries of the existing Dublin Gulch Property (see News Release Dec 14, 2011).

In October, 2012, the Company also completed a soil sampling program on the NND Cat B land to allow for the development of targets and future exploration work; including geophysics and drilling.

In October, 2012, the Company reported results from the first 6 of 11 diamond drill holes on the Olive target.

In January, 2013, the Company reported results from the last 5 of 11 diamond drill holes on the Olive target.

Significant intersections from the eleven diamond drill holes, Olive target

Drill Hole No.	From (m)	To (m)	Width (m)	Grade (g/t Au)
DG12-525C*	116.50	123.87	7.37	1.72
DG12-526C*	179.91	187.72	7.81	1.44
And	201.73	207.84	6.11	1.06
DG12-527C*	282.50	286.80	4.30	2.11
DG12-529C*	84.03	94.14	**10.11**	**2.56**
Including	87.86	89.29	1.43	8.09
And	145.80	150.36	4.56	3.28
DG12-530C*	124.60	131.00	**6.40**	**3.12**
DG12-531C	146.50	173.00	26.50	**2.69**
Including	165.40	166.70	1.30	**39.20**
DG12-532C	72.00	73.50	1.50	**5.62**
DG12-533C	63.04	64.50	1.46	**8.02**
And	166.50	172.50	6.00	1.83
And	186.90	188.50	1.60	**8.48**
DG12-534C	177.40	178.95	1.55	**8.87**
DG12-535C	178.80	180.70	1.90	**6.77**
And	188.80	190.30	1.50	**6.68**
And	208.00	209.20	1.20	**7.97**

- Width is reported as drilled and true widths have not been determined
- DG12-528C had no significant intercepts
- * Previously reported

In January, 2013, the Company reported results from early stage exploration on the newly staked VBW and VBS claim blocks, part of the NND CAT B land. The Company has discovered a 5 km long, east-west striking gold-in-soil trend on the western claims, returning up to 244 ppb Au. As a result, The Company has identified multiple new gold targets for follow up exploration in 2013.

Santa Fe, Nevada

On May 25, 2012, Victoria announced that it had entered into a definitive purchase and sale agreement with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick") to sell Victoria's interest in the Mill Canyon Property. As part of the consideration for the Mill Canyon Property, Victoria received all of Barrick's right, title and interest in the Santa Fe Property, located in Mineral County, Nevada. The transaction closed on June 1, 2012 and Victoria holds a 100% interest in the Santa Fe property, which consists of 286 claims, including 24 patented claims.

During the period from June 26, 2012, the date of the Company's last annual MD&A, through to the date of this report, the Company has identified targets and developed an exploration program.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for each of the quarters ended November 30.

Selected Quarterly Information ended November 30:

		2012		2011		2010
Total revenues	$	-	$	-	$	-
Net loss/(income) for the quarter	$	3,025,545	$	2,748,880	$	1,025,403
Net loss/(income) per share for the quarter – basic and diluted	$	0.009	$	0.010	$	0.004
Net loss/(income) year to date	$	(12,074,679)	$	5,093,706	$	1,701,680
Net loss/(income) per share year to date – basic and diluted	$	(0.036)	$	0.018	$	0.007
Total assets	$	144,574,386	$	131,814,636	$	105,958,506
Total non-current liabilities	$	3,568,171	$	1,203,607	$	916,059

RESULTS OF OPERATIONS

Quarters ended November 30, 2012 and 2011

The Company reported a loss of $3,025,545 ($0.009 per share) for the quarter ended November 30, 2012, compared to a loss of $2,784,880 ($0.010 per share) in the equivalent period during the previous year. The increased loss year over year is due to the impairment in Big Springs, partially offset by increased interest income and a lower impairment of investment in associate.

VARIANCE ANALYSIS		Q3-2012		Q3-2011		2012 VS 2011 VARIANCE HIGHER/(LOWER)
Operating expenses						
Salaries and benefits	$	**356,185**	$	464,533	$	**(108,348)**
Share-based payments		**111,068**		208,801		**(97,733)**
Consulting		**388,493**		104,289		**284,204**
Office and administrative		**178,882**		237,518		**(58,636)**
Legal and accounting		**353,198**		113,411		**239,787**
Marketing		**26,036**		66,966		**(40,930)**
Amortization		**5,478**		5,660		**(182)**
Foreign exchange loss/ (gain)		**12,051**		(154,899)		**166,950**
Resource property impairments		**1,320,812**				**1,320,812**
		2,752,203		1,046,279		**1,705,924**
Finance (income)/costs						
Unwinding of present value discount: ARO		**4,296**		11,247		**(6,951)**
Interest and bank charges		**639**		658		**(19)**
Interest income		**(358,111)**		(22,974)		**(335,137)**
Loss/(gain) on fair value of marketable securities and warrants		**(33,874)**		132,100		**(165,974)**
		(387,050)		121,031		**(508,081)**
Share of net loss of associate		**48,622**		90,448		**(41,826)**
Impairment of associate		**611,770**		1,527,122		**(915,352)**
(Loss) before taxes		**(3,025,545)**		(2,784,880)		**(240,665)**
Current income taxes		**-**		-		**-**
Deferred tax provision		**-**		-		**-**
Net (loss) for the period		**(3,025,545)**		(2,784,880)		**(240,665)**

During the quarter ended November 30, 2012, the Company reported Salaries and benefits of $356,185 versus $464,533 for the previous year's comparable period. The higher Salaries in the previous comparable period is the result of a higher expense allocation for corporate employees. Share-based payments were $111,068 versus $208,801 for the previous year's comparable period. The decrease in Share-based payments is due to the number and timing of employee option issuances and the vesting schedule. Legal and accounting costs as well as Consulting costs have increased ($239,787 and $284,204 respectively) due to increased usage of corporate and financial lawyers and consultants primarily associated with project financing. Office and administrative costs have decreased marginally due to slightly lower usage. Marketing expenses are $40,930 lower due to the timing of conferences and higher reliance on internal staff. Losses on foreign exchange during the quarter ended November 30, 2012 were $12,051 compared to gains of $154,899 in the previous year's comparable period due to fluctuations in the Canadian and US exchange rate. During the quarter ended November 30, 2012 the Company reported a gain in the fair value of marketable securities of $33,874 versus a loss of $132,100 in the previous year's comparable period, due to mark to market adjustments. The increase in interest income for the current quarter is a result of the unwinding of the present value discount on receivables. The current period's Share of net loss of associate is $48,622 compared to $90,448 during the previous year. During the quarter ended November 30, 2012, the Company reported an impairment of associate of $611,770 versus $1,527,122 for the previous year's comparable period.

Nine months ended November 30, 2012 and 2011

The Company reported income of $12,074,679 ($0.036 per share) for the nine months ended November 30, 2012, compared to a loss of $5,093,706 ($0.018 per share) in the equivalent period during the previous year. The increased earnings year over year is the result of gains on the sale of properties and a gain resulting from changes in foreign exchange rates in the current quarter, partially offset by resource property impairments, higher changes in fair value of marketable securities and income taxes.

VARIANCE ANALYSIS	YTD-2012	YTD-2011	2012 VS 2011 VARIANCE HIGHER/(LOWER)
Operating expenses			
Salaries and benefits	$ 1,153,852	$ 1,295,085	$ (141,233)
Share-based payments	582,917	727,862	(144,945)
Consulting	841,933	146,221	695,712
Legal and accounting	660,776	326,657	334,119
Office and administrative	518,959	545,166	(26,207)
Marketing	84,313	275,847	(191,534)
Amortization	15,842	15,588	254
Foreign exchange loss/ (gain)	(1,500,227)	(184,558)	(1,315,669)
Resource property impairments	1,320,812		1,320,812
Loss/(gain) on disposal of resource properties	(21,526,421)	-	(21,526,421)
	(17,847,244)	3,147,868	(20,995,112)
Finance (income)/costs			
Unwinding of present value discount: ARO	13,699	33,186	(19,487)
Interest and bank charges	5,687	3,925	1,762
Interest income	(708,825)	(98,488)	(610,337)
Loss/(gain) on fair value of marketable securities	1,441,932	176,500	1,265,432
	752,493	115,123	637,370
Share of net loss of associate	183,617	303,593	(119,976)
Impairment of associate	611,770	1,527,122	(915,352)
Income (loss) before taxes	16,299,364	(5,093,706)	21,393,070
Current income taxes	1,426,826	-	1,426,826
Deferred tax provision	2,797,859	-	2,797,859
Net income (loss) for the period	12,074,679	(5,093,706)	17,168,385

During the period ended November 30, 2012, the Company reported Salaries and benefits of $1,153,852 versus $1,295,085 for the previous year's comparable period. The higher Salaries in the previous comparable period is the result of a higher expense allocation for corporate employees. Share-based payments were $582,917 versus $727,862 for the previous year's comparable period. The decrease in Share-based payments is due to the number and timing of employee option issuances and the vesting schedule. Legal and accounting ($334,119 higher) and Consulting ($695,712 higher) costs have increased due to higher usage of corporate and financial lawyers and consultants, primarily associated with project financing. Office and administrative costs have decreased marginally due to slightly lower usage. Marketing expenses are $191,534 lower due to the timing and attendance of conferences and as the result of higher reliance on internal staff. Gains on foreign exchange during the period ended November 30, 2012 were $1,500,227 compared to $184,558 in the previous year's comparable period due to fluctuations in the Canadian and US exchange rate. Gain on sale of resource properties was $21,526,421 for the current period compared to $nil during the previous year due to the sale of Relief Canyon, Mill Canyon and Cove. During the nine months ended November 30, 2012, the Company reported a loss in the fair value of marketable securities of $1,441,932 compared to $176,500 in the previous year's comparable period. The current year loss is primarily due to the revaluation of Pershing Gold Corp. common stock (OTCBB: PGLC) and warrants from the day acquired to the end of the period. The increase in interest income for the period is a result of the unwinding of the present value discount on receivables. The current year's Share of net loss of associate is $183,617 compared to $303,593 during the previous year. During the period ended November 30, 2012, the Company reported an impairment of associate of $611,770 versus $1,527,122 for the previous year's comparable period. The Company recorded current taxes of $1,426,826 and a provision for deferred taxes of $2,797,859 as a result of the asset sales during the period.

Total assets increased by $16.8 million from $127.8 million to $144.6 million during the period from March 1, 2012 to November 30, 2012. Current assets increased by $13.1 million (see "Liquidity and Capital Resources" herein), assets held for sale decreased $23.1 million and restricted cash decreased $0.3 million, both due to the completion of three asset sales, with one sale pending, investment in associate decreased by $0.8 million due to an impairment charge, property and equipment decreased by $0.2 million while long-term receivables increased $9.0 million as a result of the asset sales and resource properties increased by $19.1 million due to continued exploration and development expenditures. Total liabilities, primarily accounts payable, taxes payable and accrued liabilities increased due to tax provisions ($0.3 million current and $2.8 million deferred).

Summary of Unaudited Quarterly Results:

	30 NOV 12	31 AUG 12	31 MAY 12	29 FEB 12
Total Revenues	$ -	$ -	$ -	$ -
Loss (income)	$ 3,025,545	$(12,951,050)	$ (2,149,174)	$479,690
Loss (income) per share – basic and diluted	$ 0.009	$ (0.038)	$ (0.006)	$ 0.001
	30 NOV 11	**31 AUG 11**	**31 MAY 11**	**28 FEB 11**
Total Revenues	$ -	$ -	$ -	$ -
Loss	$ 2,784,880	$ 984,324	$ 1,324,502	$ 811,334
Loss per share – basic and Diluted	$ 0.010	$ 0.004	$ 0.005	$ 0.003

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2012, the Company had cash and cash equivalents of $16,113,969 (February 29, 2012 - $19,663,714) and a working capital surplus of $28,043,561 (February 29, 2012 – $16,026,803). The decrease in cash and cash equivalents of $3.5 million over the nine months ended November 30, 2012, was due to investing activities ($0.7 million decrease in cash) from on-going exploration and development of the Company's resource properties net of the proceeds of asset sales, operating expenses and changes in working capital including foreign exchange losses ($2.9 million decrease in cash) and the exercise of options ($0.1 million increase in cash). The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. The Company periodically seeks financing to continue the exploration and development of its mineral properties and to meet its ongoing administrative requirements. Although the Company has been successful in raising funds to date, there can be no assurances that additional funding will be available in the future. These combined factors lend significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

As at November 30, 2012, the Company had completed the sale of its Cove, Mill Canyon and Relief Canyon properties for proceeds of:

- US$6 million cash and securities plus a royalty for Relief Canyon;
- US$15 million cash, the Santa Fe property valued at US$4 million plus a contingent payment for Mill Canyon; and
- $28 million cash and securities plus a contingent $20 million for Cove.

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("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.

The Company is in the process of advancing its mineral properties and the recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values.

The Company holds the predominant amount of its cash in chequing and investment accounts at a major Canadian bank. The investment accounts predominantly invest in Government of Canada treasury bills.

OPERATING ACTIVITIES

During the nine months ended November 30, 2012, operating activities, including non-cash working capital changes, required funding of $3.0 million (as compared with the same period during the previous year that required funding of $2.2 million). The year over year increase in cash required for operating activities is primarily due to income taxes as a result of the asset sales, partially offset by higher funding provided by changes in working capital.

RELATED PARTY TRANSACTIONS

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 nine months ended November 30, 2012 and 2011 is outlined below.

	2012	2011
Salaries and other short term employment benefits	$1,102,896	$884,373
Share based compensation	$ 399,275	$524,567

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

FINANCING ACTIVITIES

On November 9th, 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.

November 9, 2011 Financing
(All amounts are approximate)

USE OF PROCEEDS, AS PER SHORT FORM PROSPECTUS DATED NOVEMBER 9, 2011 DESCRIPTION	BUDGET AS PER ORIGINAL DISCLOSURE	ACTUAL SPENT AS AT NOVEMBER 30, 2012	REMAINING TO BE SPENT*	CURRENT TOTAL FORECAST	VARIANCE CURRENT FORECAST LESS ORIGINAL BUDGET
Eagle Gold Project development	$16.0	$14.4	$0	$14.4	$(1.6)
Yukon exploration	$7.0	$8.6	$0	$8.6	$1.6
Nevada exploration	$2.0	$2.0	$0	$2.0	$0
Corporate expenses	$2.9	$2.9	$0	$2.9	$0
Total:	**$27.9**	**$27.9**	**$0**	**$27.9**	**$0**

*Remaining funds are held in the form of cash or cash equivalents.

Gross proceeds from Flow-Through Common Shares were $8.6M, $1.6M more than originally anticipated.

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), of 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.

August 24, 2010 Financing
(All amounts are approximate)

USE OF PROCEEDS, AS PER SHORT FORM PROSPECTUS DATED AUGUST 16, 2010 DESCRIPTION	BUDGET AS PER ORIGINAL DISCLOSURE	ACTUAL SPENT AS AT AUGUST 31, 2011	REMAINING TO BE SPENT*	CURRENT TOTAL FORECAST	VARIANCE CURRENT FORECAST LESS ORIGINAL BUDGET
Eagle Gold Project development	$8.0	$20.8	$0	**$20.8**	$12.8
Cove Project development	$10.0	$0	$0	**$0**	($10.0)
Nevada exploration	$5.0	$4.0	$0	**$4.0**	($1.0)
Corporate expenses	$0.5	$2.0	$0	**$2.0**	$1.5
Total:	**$23.5**	**$26.8**	**$0**	**$26.8**	**$3.3**

*Remaining funds are held in the form of cash or cash equivalents.

The $3.3M variance between Current Forecast and Original Budget is due to an oversubscription of the financing. The variance in development spending is the result of the Company's focus on development of the Eagle Gold Project.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of January 28, 2013, the number of issued common shares was 340,073,973 (363,664,535 on a fully diluted basis).

As at January 28, 2013, there were 23,590,563 director, employee and consultant stock options outstanding with an exercise price ranging from $0.21 to $1.60 per share and expiring between February 19, 2013 and January 11, 2018. This represents approximately 7% of the issued and outstanding common shares.

RISK AND UNCERTAINTIES

Exploration and mining risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Financial capability and additional financing

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan.

Dependence on key personnel

Many of Victoria's personnel are specialized, highly skilled and experienced. The Company's future exploration success will depend to a significant extent on its ability to attract and retain qualified personnel. While Victoria has not experienced any significant difficulties to date in attracting and retaining personnel, there can be no assurance that this will continue. The loss of key personnel could have a material adverse effect on the Company's operations and business prospects.

Operations

Victoria's operations are subject to operational risks and hazards inherent in the mineral exploitation and extraction industry, including, but not limited to, variations in grade, deposit size, earthquakes and other Acts of God, density and other geological problems, hydrological conditions, availability of power, metallurgical and other processing problems, mechanical equipment performance problems, drill rig shortages, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, labour, and adverse weather conditions. Should any of these risks and hazards affect any of Victoria's exploration and development activities, it may cause delays or a complete stoppage in Victoria's exploration or development activities, which would have a material and adverse effect on the business of Victoria.

Government regulations and permitting

Victoria's exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which Victoria has properties regulates mining and mineral exploration activities. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to Victoria or its properties, which could have a material and adverse effect on Victoria's current exploration and development activities. Where required, obtaining necessary permits can be a complex, time-consuming process and Victoria cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Victoria from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

Title

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral concessions and claims may be disputed. While Victoria believes it has diligently investigated title to the mineral concessions and claims underlying its properties, Victoria cannot guarantee that title to any such properties will not be challenged, or that title to such properties will not be affected by an unknown title defect. Victoria has not surveyed the boundaries of all of its mineral properties and consequently the boundaries of the properties may be disputed.

Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that there solution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

Fair value of financial instruments

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Risk exposure is summarized as follows:

(a) Credit risk

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Accounts payables and accrued liabilities are due within the current operating period, from December 1, 2012 through February 28, 2013.

(c) Market risk

I. 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.

II. Foreign currency risk

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

III. Price 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. The Company's exploration drill programs are exposed to price risk, of which the Company has little control. The Company's exploration drill programs are carried out by outside contractors. Cost increases for consumables such as fuel and drill bits are indirectly passed on to the Company through its contracted drill programs.

There has been no significant change in the risk factors affecting the Company on a period over period basis.

CONTRACTUAL COMMITMENTS

The Company has no contractual commitments, other than leases on offices entered into in the normal course of business (Note 14). All mineral property agreement commitments are at the option of the Company and the Company can terminate the agreements prior to being required to make payments on the properties.

FOREIGN EXCHANGE

The Company's US operations are denominated in USD, the functional currency of the US entities. The functional currency of all other entities is the Canadian dollar. The presentation currency of the Company is the CAD. Accordingly, fluctuations in the exchange rates (USD/CAD) may significantly impact the consolidated results of operations and the consolidated reported net assets. The effect of changes in currency fluctuations from the functional currency to the presentation currency on the operations' net assets is recorded in the Company's shareholders' equity as a cumulative translation adjustment.

OFF-BALANCE SHEET TRANSACTIONS

During the most recent three months ended November 30, 2012, and up to the date of this report, the Company had no off-balance sheet transactions.

CRITICAL ACCOUNTING 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 nine months ended November 30, 2012 and 2011 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.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and reclamation bonds. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The reclamation bonds are held with a state of Nevada governmental institution, a joint venture partner or as letters of credit at Wells Fargo and represent restricted cash, which will be returned to the Company upon the satisfactory completion of reclamation obligations. The reclamation bonds and certain of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in $US leading to currency risk arising from fluctuations in the $C and $US exchange rate. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

"John McConnell"	**"Marty Rendall"**
John McConnell	Marty Rendall
Chief Executive Officer & President	Chief Financial Officer