



(an exploration and development stage company)

Condensed Consolidated Interim Financial Statements

May 31, 2016 and 2015

(Unaudited)
(Expressed in Canadian Dollars)

Victoria Gold Corp.

(an exploration and development stage company)

May 31, 2016 and February 29, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying condensed consolidated interim financial statements and all other financial information included in this report are 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.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(signed) "John McConnell"
Director, President and CEO
July 27, 2016

(signed) "Marty Rendall"
CFO
July 27, 2016

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, 2016	February 29, 2016
Assets			
Current assets			
Cash and cash equivalents		\$ 34,760,091	\$ 13,942,137
Marketable securities and warrants	5	151,630	178,344
HST and other receivables		175,393	44,436
Prepaid expenses		525,053	142,171
		<u>35,612,167</u>	<u>14,307,088</u>
Non-current assets			
Restricted cash		1,850,929	1,907,417
Property and equipment	6	3,425,788	3,282,615
Resource properties	7	117,091,612	113,715,508
		<u>122,368,329</u>	<u>119,905,540</u>
Total assets		<u>\$ 157,980,496</u>	<u>\$ 133,212,628</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 5,583,740	\$ 4,144,085
Current portion of ARO	8	1,892,447	1,951,165
		<u>7,476,187</u>	<u>6,095,250</u>
Non-current liabilities			
Asset retirement obligations ("ARO")	8	955,397	963,945
Total liabilities		<u>8,431,584</u>	<u>7,059,195</u>
Shareholders' Equity			
Share capital	10	172,290,053	154,513,979
Contributed surplus		21,405,353	14,985,513
Accumulated other comprehensive loss		(2,590,398)	(2,686,430)
Accumulated deficit		(41,556,096)	(40,659,629)
Total shareholder's equity		<u>149,548,912</u>	<u>126,153,433</u>
Total liabilities and equity		<u>\$ 157,980,496</u>	<u>\$ 133,212,628</u>

See accompanying notes to the condensed consolidated interim financial statements.

Authorized for issue by the Board
of Directors on July 27th, 2016 and
signed on its behalf.

"T. Sean Harvey"

Director

"Chris Hill"

Director

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

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	For the three month period ended May 31,	
		2016	2015
Operating expenses			
Salaries and benefits excluding share-based payments		\$ 339,416	\$ 368,791
Office and administrative		144,187	98,279
Share-based payments	11	23,810	111,270
Marketing		99,174	75,138
Legal and accounting		45,577	37,990
Consulting		5,000	7,500
Amortization		966	1,238
Foreign exchange (gain) loss		217,086	33,297
		<u>875,216</u>	<u>733,503</u>
Finance (income) costs			
Unwinding of present value discount: ARO		5,370	5,307
Interest and bank charges		1,069	2,570
Interest income		(11,902)	(25,174)
Change in fair value of marketable securities and warrants		26,714	6,984
		<u>21,251</u>	<u>(10,313)</u>
Net loss		(896,467)	(723,190)
Other Comprehensive income (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation adjustment		96,032	13,904
Total items that may be reclassified subsequently to profit or loss		96,032	13,904
Total comprehensive loss for the period		<u>\$ (800,435)</u>	<u>\$ (709,286)</u>
Loss per share - basic and diluted	9	<u>\$ (0.002)</u>	<u>\$ (0.002)</u>
Weighted average number of shares			
Basic and diluted		380,882,706	340,073,973

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				
Balance at March 1, 2015		340,073,973	\$ 151,618,587	\$ 13,971,128	\$ (2,578,869)	\$ (38,825,883)	\$ 124,184,963
Transactions with owners:							
Share-based payments, expensed				111,270			111,270
Share-based payments, capitalized				55,261			55,261
Total transactions with owners:		-	-	166,531	-	-	166,531
Net loss for the period						(723,190)	(723,190)
Other comprehensive income/(loss):							
Currency translation adjustment					13,904		13,904
Balance at May 31, 2015	10	340,073,973	\$ 151,618,587	\$ 14,137,659	\$ (2,564,965)	\$ (39,549,073)	\$ 123,642,208
Balance at March 1, 2016		361,098,109	\$ 154,513,979	\$ 14,985,513	\$ (2,686,430)	\$ (40,659,629)	\$ 126,153,433
Transactions with owners:							
Proceeds from share issue		80,000,000	24,000,000				24,000,000
Fair values assigned to warrants issued under private placement			(6,620,000)	6,620,000			-
Proceeds from stock options exercised		2,459,583	368,300				368,300
Fair values allocated upon exercise:							
Stock options			178,189	(178,189)			-
Share issuance costs			(150,415)	(57,292)			(207,707)
Share-based payments, expensed				23,810			23,810
Share-based payments, capitalized				11,511			11,511
Total transactions with owners:		82,459,583	17,776,074	6,419,840	-	-	24,195,914
Net loss for the period						(896,467)	(896,467)
Other comprehensive income/(loss):							
Currency translation adjustment					96,032		96,032
Balance at May 31, 2016	10	443,557,692	\$ 172,290,053	\$ 21,405,353	\$ (2,590,398)	\$ (41,556,096)	\$ 149,548,912

See accompanying notes to the condensed consolidated interim financial statements.

Victoria Gold Corp.
Consolidated Statement of Cash Flows

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	For the three month period ended May 31,	
		2016	2015
Cash flows from operating activities			
Net loss for the period		\$ (896,467)	\$ (723,190)
Adjustments for:			
Share-based payments	11	23,810	111,270
Unwinding of present value discount: ARO	8	5,370	5,307
Change in fair value of marketable securities and warrants		26,714	124,592
Amortization		966	1,238
Net unrealized foreign exchange (gain) loss		409,930	44,916
		(429,677)	(435,867)
Working capital adjustments:			
(Increase) decrease in HST and other receivables		(130,957)	5,113
(Increase) decrease in marketable securities		-	(117,608)
(Increase) decrease in prepaid expenses		(71,483)	(29,648)
Increase (decrease) in accounts payables and accrued liabilities		229,889	22,110
		27,449	(120,033)
Net cash flows used in operating activities		(402,228)	(555,900)
Cash flows used in investing activities			
Resource properties	7	(2,603,866)	(1,190,561)
Cash received from disposition of securities and assets held for sale		-	1,124,932
Restricted cash		(60)	(60)
Purchase of property and equipment		(296,887)	-
Net cash flows used in investing activities		(2,900,813)	(65,689)
Cash flows from financing activities			
Shares issued for cash, net of issuance cost	10	23,792,293	-
Exercise of warrants and options		368,300	-
Net cash flows from financing activities		24,160,593	-
Foreign exchange gain (loss) on cash balances		(39,598)	(11,003)
Net increase (decrease) in cash and cash equivalents		20,817,954	(632,592)
Cash and cash equivalents, beginning of the period		13,942,137	14,751,577
Cash and cash equivalents, end of the period		\$ 34,760,091	\$ 14,118,985

See accompanying notes to the condensed consolidated interim financial statements. Supplementary Cash Flow information is provided in Note 15.

Victoria Gold Corp.
(an exploration and development stage company)
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended May 31, 2016 and 2015

(Unaudited)
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

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 and permits to complete the development, and upon future profitable production or proceeds from disposition of these assets.

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 its assets and discharge its liabilities in the normal course of operations as they come due for the foreseeable future. The Company’s future is currently dependent upon its ability to successfully complete additional financing arrangements, secure all necessary permits, its ability to fulfil its planned exploration and development programs and upon future profitable production from, or the proceeds from the disposition of, its mineral properties. The Company periodically seeks financing to continue the exploration and development of its resource properties and to meet its future administrative requirements. Although the Company has been successful in raising funds to date, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods.

At May 31, 2016, Victoria Gold Corp. (“Victoria” or “the Company”) had a working capital surplus of \$28,135,980 (compared with a surplus of \$8,211,838 at February 29, 2016), reported a net loss of \$896,467 (2015 net loss - \$723,190) and accumulated deficit of \$41,556,096 (\$40,659,629 at February 29, 2016).

2. BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements for the three months ended May 31, 2016 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, 2016, which have been prepared in accordance with IFRSs.

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

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

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

StrataGold Corporation (“StrataGold”) was acquired by the Company on June 4, 2009.

These financial statements were approved by the Board of Directors for issue on July 27, 2016.

Victoria Gold Corp.

(an exploration and development stage company)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in the presentation of these condensed consolidated interim financial statements 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 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 condensed consolidated interim 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.

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, 2016.

5. MARKETABLE SECURITIES AND WARRANTS

	May 31, 2016	February 29, 2016
Current investments		
Opening balance	\$ 178,344	\$ 1,274,752
Additions	-	-
Disposals	-	(1,124,932)
Change in fair value	(26,714)	28,524
	<hr/>	<hr/>
Financial assets at fair value through profit and loss	\$ 151,630	\$ 178,344

Victoria Gold Corp.

(an exploration and development stage company)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2016 and 2015

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6. PROPERTY AND EQUIPMENT

	Other assets	Buildings/ structure	Field & automotive equipment	Leasehold improvements	Total
Cost					
March 1, 2015	\$ 585,628	\$ 6,063,280	\$ 173,650	\$ 309,529	\$ 7,132,087
Additions	6,951	-	40,000	-	46,951
Disposals	-	-	-	(130,726)	(130,726)
February 29, 2016	592,579	6,063,280	213,650	178,803	7,048,312
Additions	2,567	276,815	17,505	-	296,887
May 31, 2016	\$ 595,146	\$ 6,340,095	\$ 231,155	\$ 178,803	\$ 7,345,199
Accumulated amortization					
March 1, 2015	\$ 408,737	\$ 2,625,915	\$ 115,870	\$ 182,671	\$ 3,333,193
Charge	44,091	435,744	21,491	61,904	563,230
Disposals	-	-	-	(130,726)	(130,726)
February 29, 2016	452,828	3,061,659	137,361	113,849	3,765,697
Charge	8,573	106,029	6,637	32,475	153,714
May 31, 2016	\$ 461,401	\$ 3,167,688	\$ 143,998	\$ 146,324	\$ 3,919,411
Net book value					
March 1, 2015	\$ 176,891	\$ 3,437,365	\$ 57,780	\$ 126,858	\$ 3,798,894
February 29, 2016	\$ 139,751	\$ 3,001,621	\$ 76,289	\$ 64,954	\$ 3,282,615
May 31, 2016	\$ 133,745	\$ 3,172,407	\$ 87,157	\$ 32,479	\$ 3,425,788

During the quarter ended May 31, 2016, the Company capitalized amortization related to resource properties of \$152,748 (\$137,887 – 2015).

Victoria Gold Corp.
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Notes to the Condensed Consolidated Interim Financial Statements
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7. RESOURCE PROPERTIES

	Santa Fe (Nevada)	Dublin Gulch (Yukon)	Other properties **	Total
Balance February 29, 2016	\$ 7,251,971	\$ 105,031,450	\$ 1,432,087	\$ 113,715,508
Acquisition	-	-	-	-
Salaries and benefits	19,986	159,271	-	179,257
Amortization	-	152,748	-	152,748
Office and administration	10,031	112,855	-	122,886
Land claims and royalties	7	20,409	38,650	59,066
Environmental and permitting	8,084	18,430	-	26,514
Government and community relations	-	185,660	-	185,660
Site operations	-	812,576	-	812,576
Engineering and design	-	269,609	-	269,609
Assaying	-	190,565	-	190,565
Drilling and indirects	-	1,114,283	-	1,114,283
Other exploration	-	480,692	-	480,692
Asset retirement obligation adjustment	-	-	-	-
Exploration and development costs for the period	38,108	3,517,098	38,650	3,593,856
Currency translation	(217,752)	-	-	(217,752)
Balance May 31, 2016	\$ 7,072,327	\$ 108,548,548	\$ 1,470,737	\$ 117,091,612

** Other properties include interests in Donjek, Aurex, Canalask and Clear Creek in Yukon Territory and Island Mountain in Nevada.

As of May 31, 2016, of the \$3.6M raised through the flow-through offering (November 26th and December 23rd, 2015), \$0.7 million is remaining to be spent on qualifying expenditures.

Victoria Gold Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

	Santa Fe (Nevada)	Dublin Gulch (Yukon)	Other properties**	Total
Balance February 28, 2015	\$ 6,311,124	\$ 101,626,743	\$ 1,349,199	\$ 109,287,066
Acquisition	-	-	-	-
Salaries and benefits	91,007	1,186,641	-	1,277,648
Amortization	-	558,245	-	558,245
Office and administration	37,165	676,172	-	713,337
Land claims and royalties	67,018	18,299	73,250	158,567
Environmental and permitting	171,534	260,801	-	432,335
Government and community relations	-	381,128	-	381,128
Site operations	-	84,100	-	84,100
Engineering and design	-	72,424	-	72,424
Assaying	-	-	-	-
Drilling and indirects	-	-	-	-
Other exploration	-	219,785	9,638	229,423
Asset retirement obligation adjustment	(28,906)	(52,888)	-	(81,794)
Exploration and development costs for the period	337,818	3,404,707	82,888	3,825,413
Currency translation	603,029	-	-	603,029
Balance February 29, 2016	\$ 7,251,971	\$ 105,031,450	\$ 1,432,087	\$ 113,715,508

** Other properties include interests in Donjek, Aurex, Canalask and Clear Creek in Yukon Territory and Island Mountain in Nevada.

8. ASSET RETIREMENT OBLIGATIONS

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and measured with the most reliable information available. Management's estimate 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 Santa Fe 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 following assumptions:

- total undiscounted amount of inflation adjusted future reclamation costs was determined to be \$744,988 for Dublin Gulch and \$2,256,095 for Santa Fe;
- weighted average risk-free interest rate at 1.1% and a long-term inflation rate of 2.0%; and
- expected timing of risk adjusted cash outflows required to settle the obligation will be incurred over the period through 2029 for Dublin Gulch and through 2016 for Santa Fe.

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

Victoria Gold Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

	May 31, 2016	February 29, 2016
Balance, beginning of period	\$ 2,915,110	\$ 2,798,319
Unwinding of discount: ARO	5,370	21,790
Currency translation	(72,636)	175,995
ARO change due to change in estimates	-	(80,994)
Balance, end of period	2,847,844	2,915,110
Less: Current portion	(1,892,447)	(1,951,165)
Long-term liability	\$ 955,397	\$ 963,945

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, 2016	May 31, 2015
Net income (loss)	\$ (896,467)	\$ (723,190)
Weighted average number of common shares issued	380,882,706	340,073,973
Basic earnings (loss) per share	\$ (0.002)	\$ (0.002)

(b) Diluted

The effect of potential issuances of shares under options would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

10. 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 443,557,692 and 340,073,973 shares as at May 31, 2016 and 2015, respectively.

On May 10, 2016, the Company closed a non-brokered private placement for gross proceeds of C\$24,000,000 (the "Offering"). Electrum Strategic Opportunities Fund L.P. ("Electrum") and Sun Valley Gold LLC ("Sun Valley") were the only subscribers to the Offering. The Units were issued at a price of C\$0.30 per Unit. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at a price of C\$0.40 for a period of 3 years following the closing of the Offering. Electrum subscribed for 60,000,000 Units, while Sun Valley subscribed for 20,000,000 Units. Upon closing of the private placement, Electrum owned approximately 13.6% of the issued and outstanding shares of the Company while Sun Valley's ownership of the outstanding common shares of the Company increased to approximately 18.0%. Finders' fees and other issuance costs totaling \$207,707 were paid in conjunction with the Offering. All securities issued pursuant to the Offering are subject to a statutory four month hold period expiring September 11, 2016.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars)

11. SHARE - BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN AND WARRANTS

Stock options

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, 2016, 9,921,272 (1,625,314 as at February 29, 2016) additional stock options were available for grant under the Company's stock option plan.

A summary of the status of the Plan as at May 31, 2016 and as at February 29, 2016, and changes during the periods ended on those dates is presented below:

	May 31, 2016			February 29, 2016		
	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	33,415,000	\$ 0.20	\$3,564,847	28,648,750	\$ 0.26	\$4,070,102
Granted	-	\$ -	-	7,000,000	\$ 0.15	622,410
Exercised	(2,459,583)	\$ 0.15	(178,192)	-	\$ -	-
Expired	(50,000)	\$ 0.12	(2,960)	(2,153,750)	\$ 0.86	(1,125,303)
Forfeited	-	\$ -	-	(80,000)	\$ 0.15	(2,361)
Outstanding, end of the period	30,905,417	\$ 0.20	\$3,383,695	33,415,000	\$ 0.20	\$3,564,847

As at May 31, 2016, 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
May 18, 2011	110,000	110,000	\$ 0.74	May 18, 2016 *
August 22, 2011	300,000	300,000	\$ 0.65	August 22, 2016
January 20, 2012	3,890,000	3,890,000	\$ 0.40	January 20, 2017
May 28, 2012	130,000	130,000	\$ 0.27	May 28, 2017
September 3, 2012	30,000	30,000	\$ 0.22	September 3, 2017
January 11, 2013	5,230,000	5,230,000	\$ 0.25	January 11, 2018
January 10, 2014	7,301,667	7,301,667	\$ 0.12	January 10, 2019
January 14, 2015	7,153,750	5,022,500	\$ 0.16	January 14, 2018
December 15, 2015	6,760,000	6,760,000	\$ 0.15	December 15, 2020
	<u>30,905,417</u>	<u>28,774,167</u>		

* The expiry of this tranche of options was extended as the Company was on blackout at expiry through the end of the quarter.

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 contributed surplus.

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Warrants

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

	May 31, 2016			February 29, 2016		
	Number of Warrants	Weighted average exercise price	Fair Value	Number of Warrants	Weighted average exercise price	Fair Value
Outstanding, beginning of the period	-	\$ -	\$ -	-	\$ -	\$ -
Issued	40,000,000	\$ 0.40	6,620,000	-	-	-
Outstanding, end of the period	40,000,000	\$ 0.40	\$ 6,620,000	-	\$ -	\$ -

	Number of Warrants	Exercise price	Expiry date
Issued in private placement	40,000,000	\$ 0.40	May 10, 2019
	40,000,000		

12. 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, 2016 and 2015 was as follows:

	2016	2015
Salaries and other short term employment benefits	\$ 191,655	\$ 213,744
Share based compensation	\$ 18,085	\$ 70,573

The amounts above have been awarded solely to officers of the Company for work performed in their full-time capacity for 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, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

13. COMMITMENTS AND CONTINGENCIES

Operating Leases

At May 31, 2016, the Company has future minimum annual operating lease commitments for vehicles and office premises in: (1) Vancouver, BC, (2) Toronto, Ontario and (3) Whitehorse, Yukon, as follows:

to February 28, 2017	\$	242,077
to February 28, 2018		304,823
to February 28, 2019		193,928
to February 29, 2020		169,436
to February 28, 2021 and thereafter		72,696
Total	\$	982,960

14. SEGMENTED INFORMATION

The Company's principal activity is the exploration and development of mineral properties. The Company reports separately three operating segments, corporate segment and mineral exploration and development in two geographical segments, Canada and the United States. A breakdown of mineral properties by geographic expenditures is disclosed in *Note 7*.

In millions of Cdn \$	Canada	USA	Corporate	Total
As at May 31, 2016				
Property and equipment	3.4	-	-	3.4
Resource properties	110.0	7.1	-	117.1
Total Assets	116.4	8.9	32.7	158.0
As at February 29, 2016				
Property and equipment	3.3	-	-	3.3
Resource properties	106.4	7.3	-	113.7
Total Assets	113.6	9.1	10.5	133.2
Three months ended May 31, 2016				
Net loss/(income)	0.1	-	0.8	0.9
Three months ended May 31, 2015				
Net loss/(income)	-	-	0.7	0.7

Victoria Gold Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2016 and 2015

(Unaudited)

(Expressed in Canadian Dollars)

15. SUPPLEMENTARY CASH FLOW INFORMATION

	May 31, 2016	February 29, 2016
Non-cash investing and financing activities:		
Accounts payable and accrued liabilities relating to resource property expenditures	\$ 1,437,048	\$ 114,308
Stock-based compensation, capitalized to resource properties (Note 11)	\$ 11,511	\$ 313,480
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

16. SUBSEQUENT EVENT

On June 17, 2016, the Company closed a non-brokered private placement flow-through offering (the "Offering") raising gross proceeds of \$2.85 million, representing the issuance of 4,384,615 common shares priced at \$0.65 per share. Finders' fees of up to 5% were paid on certain orders in conjunction with the Offering. The flow-through shares are subject to a four-month hold period.