



March 26, 2014

Mr. Robert Holmes, Director
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Dear Mr. Holmes,

RE: Quartz Mining Licence QML-0011 Annual Report

To date, StrataGold Corporation (SGC) has not provided written notice of its intent to commence the Undertaking as required by Paragraph 3.2 of QML-0011 and no production or development has occurred on the Eagle Gold Project (the Project).

Activity at the Project site during the term of the QML has been limited to SGC's continued collection of baseline environmental data. The objective of the 2013 environmental baseline data collection program was to collect continuous environmental data to augment the existing baseline data set for future regulatory applications and operational plans.

In October 2013, a site visit was conducted on our behalf by Laberge Environmental Services (LES) which included the following tasks:

1. Hydrology data collection
2. Surface water quality data collection
3. Groundwater quantity and quality data collection
4. Climate Data Collection
5. Geotechnical data collection

Hydrology data collection was achieved by monitoring eight automated stations located in the Haggart Creek, Dublin Gulch and Lynx Creek drainage basins. During the site visit, LES performed the following general tasks:

- Completed routine maintenance on the instrumentation.
- Downloaded stage data from all dataloggers.
- Performed two high accuracy discharge measurements per station.
- Recorded gauge heights per station with estimated uncertainty based on whether the stage is steady or fluctuating.
- Recorded observations of any change in hydraulic control at each stream gauge station.
- Completed bench mark surveying at each station to verify staff gauge elevations and calibrate gauging instrumentation.
- Documentation all activities of the visit with concise field notes and photos.
- Removed the dataloggers and pressure transducers for the winter season.

The surface water quality data collection program involved the collection of water samples from 13 locations using the methods outlined in the BC Freshwater Biological Sampling Manual (BC Ministry of Water, Land Air Protection 2003). Samples were shipped to ALS laboratories and analysed for standard physical parameters (e.g., conductivity, pH, etc.), organic and inorganic carbon, major anions and nutrients, and total and dissolved metals.

Groundwater quality sampling at the Project site was conducted according to the methods currently in use at the site and consistent with the methods described for surface water quality. Samples were obtained from 6 monitoring wells using disposable bailers, with field filtering as required by parameter/analysis type, after purging three well volumes using disposable inertial lift pumps. Fields notes describing the date and time of sampling, general weather conditions and notation of any photos taken of the well, and any observations of the well head.

Groundwater quantity was measured at 15 locations using electronic water level meters. In addition to level measurements, wells equipped with continuous pressure transducers (dataloggers) were downloaded during the site visit.

The geotechnical engineers engaged by SGC have installed thermistor strings in 13 boreholes on the Project site to measure changes in ground temperature in proposed areas for major mine infrastructure. During the site visit, LES visited each borehole to read the thermistors and prepared field notes including date and time, notations of any photos taken, and general conditions of the borehole.

The current 100 person exploration camp located at the Project site continued to be occupied by the SGC Site Operations staff; however, during the 2013 period since the QML has been in effect the average occupancy rate has been below 10 people. As the operation of the exploration camp, in its current configuration, is considered by SGC to be a component of the Class IV Mining Land Use Approval LQ00303, specific details regarding occupancy rates will be provided in the annual report for LQ00303.

SGC intends to submit application for additional construction and operational activities regulated by the *Quartz Mining Act* and the *Yukon Waters Act* in the coming year. The information required to complete the next permitting phase of the project is being supported by the ongoing environmental baseline data collection program, additional geotechnical data collection initiated prior to the effective date of QML-0011, and detailed design of Project infrastructure.

Given the existing status of Project development, and the details provided herein, the suggested annual report content specified in item 10 of you letter dated November 12, 2013 is currently not applicable.

Sincerely,

Mark Ayranto
Executive Vice President
Victoria Gold Corp.