



# **ANNUAL REPORT**

FOR THE YEAR ENDED  
FEBRUARY 28, 2010



Dear Fellow Shareholder,

You are no doubt aware that the equity market for junior exploration companies remains a far cry from previous bull market conditions, which prevailed just two short years ago. Like so many of our peers, BCGold Corp. was required to make some tough decisions in tough times. But unlike some of our peers, BCGold Corp. diligently cut costs, broadened its market exposure, prioritized projects and maximized exploration spending - without adversely affecting the shareholder's exposure to growth and discovery. I invite you to read on as I relate the Company's accomplishments this past year, as well as our plans for growth and discovery in the year before us.

BCGold Corp. raised \$1 million by way of an equity financing in August, 2009, proving that even in uncertain times, the Company can raise capital as required. The financing included quality retail and institutional investors, as well as the Company's senior gold mining benefactor Kinross Gold Corp., who has held a 13% equity interest in the Company since 2008. While raising capital through equity issuance is paramount, it was tempered last year; this was owing to the fact that the financing terms offered were considered by management to be too dilutive at such suppressed share prices. Management felt it was important to reduce expenditures across the board and spend hard-earned dollars more judiciously.

#### *Fiscal 2010 Cost-cutting Measures and Exploration Focus*

In fiscal 2010, BCGold Corp. reduced exploration expenditures by 64% and general administration and marketing expenditures by 54% over the previous year. Marketing campaigns were reduced in number and size, conducted more deliberately, and staffing levels were scrutinized and reduced. However, in keeping with management's belief that exploration success goes hand in hand with a long-term commitment to highly skilled employees, key employees and consultants were retained.

BCGold Corp.'s exploration expenditures last year were reduced on two fronts. Firstly, fewer projects were advanced: the Company focused exploration dollars on the Minto / Carmacks Properties, primarily in light of recent exploration successes at Minto Mine; and exploration at the Engineer Mine and Voigtberg properties was put on hold until better market conditions prevailed. Secondly, the Engineer Mine and Voigtberg Property option agreements were re-negotiated on more favorable terms for the Company, in some cases eliminating or replacing large cash payments with protracted share issuances and work commitments.

BCGold Corp. spent approximately \$770,000 in exploration in fiscal 2010, down \$1,340,000 from 2009. The Company advanced 4 (WS, Apex East, Peanut and Copper) of its 17, now 100% owned Minto / Carmacks Copper-Gold Properties in Yukon, to drill ready status. Two additional properties, Toe and Pepper, have since been optioned out to exploration companies, each with a \$350,000 drill program commitment in 2010.

BCGold Corp.'s exploration efforts in Yukon continue to benefit from exploration grants provided by the Yukon government. The Company received \$121,329 in grants for 2009 exploration work and has been approved for up to \$350,000 in grants should sufficient exploration work be conducted in 2010. To date the Company has received a cumulative of \$208,329 in grants from the Yukon government.

### Going Forward – Going For the Gold at Engineer Mine

In this current \$1,200+ gold environment, BCGold Corp. has elected to initially focus 2010 exploration efforts on the Engineer Mine Property. At the time of writing, the Company is drilling high-grade gold shoot extensions defined by recent and historical sampling on two veins below the fifth and eighth levels of the former high-grade gold producer. The objective of Phase I drilling is to confirm grade continuity so that a Phase II drill program can focus on upgrading and increasing the current potential mineral target to a NI 43-101 compliant mineral resource. Engineer Mine has excellent near-term, small-scale gold production potential.

### The Minto/Carmacks Properties

As mentioned previously, the Company recently optioned the Toe and Pepper properties north of Minto Mine, both of which have \$350,000, 2010 drill program commitments. BCGold Corp. is approved for up to \$350,000 in grants from the Yukon government, should sufficient work be conducted in 2010. If marketing efforts continue to be successful and Engineer Mine drill results dictate, the Company is hopeful investors will see fit to exercise warrants priced at \$0.12 and \$0.15 on or before the August 7, 2010 expiry date. This would provide the Company with a near-term cash infusion of more than \$1 million, a significant portion of which would be earmarked for drill testing at least one of the Company's Minto/Carmacks Copper-Gold properties in 2010.

### Earning into Voigtberg

BCGold Corp. plans to earn its 50% interest in the Voigtberg Property this year by spending \$85,000 exploring and refining gold targets for drill testing in 2011. The Voigtberg Property remains a cornerstone of gold property for BCGold Corp.

### Generating Tomorrow's Discoveries

BCGold Corp. has budgeted up to \$125,000 for generative exploration in B.C. and Yukon in 2010. The Company intends to follow-up encouraging gold assay results and pan concentrates in a number of areas worked by BCGold Corp. in Yukon in late 2009. The Company is also aggressively staking a number of properties in south central B.C., targeting blind porphyry copper-gold and intrusion-related gold deposits in a region with very limited exposure and historical work.

Last year reminded the Company to look for opportunity in scarcity. We persisted with strategies that worked and discarded those that didn't. Going forward we will hold fast to balancing the development and advancement of our high quality asset base with the staking of new, early-stage exploration opportunities, in a deliberate and fiscally responsible manner.

Thank you, our valued shareholder, for your continued support of the management, employees and projects of BCGold Corp.

Yours truly,

Signed: "Brian P. Fowler", P.Geo  
PRESIDENT & CEO

**Management Discussion and Analysis (“MD&A”)  
For  
BCGold Corp. (“BCGold” or the “Company”)**

Containing information up to and including June 7, 2010.

**Note to Reader**

The following information should be read in conjunction with the Company’s Audited Financial Statements for the Year Ended February 28, 2010, together with the notes thereto, prepared by management in accordance with Canadian Generally Accepted Accounting Principles and expressed in Canadian Dollars.

**Forward-Looking Statements**

When used in this document, words like “anticipate,” “believe,” “estimate,” “expect” and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objectives and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

**Overall Performance**

**Highlights of the Company’s activities during the year ended February 28, 2010:**

**Financing and Corporate**

On July 27, 2009 the Company closed a non-brokered private placement of 5,375,000 flow-through units priced at \$0.08 per unit for gross proceeds of \$430,000.

On August 7, 2009 the Company closed a non-brokered private placement of 2,462,500 flow-through units priced at \$0.08 per unit and 7,305,000 non flow-through units priced at \$0.06 per unit for aggregate gross proceeds of \$635,300.

On January 11, 2010 the Company granted 1,745,000 incentive stock options, exercisable at \$0.10 per share for a period of five years, to certain directors, officers, employees and consultants of the Company.

**Exploration Activities**

On March 18, 2009 the Company announced an amendment to the Engineer Mine Property Option Agreement, entitling the Company to eliminate certain remaining cash payments and defer securities issuances by a period of one year.

On May 5, 2009 the Company announced it had been granted a permit by the British Columbia Ministry of Environment to de-water the lowermost levels of the Engineer Mine.

On June 1, 2009 the Company announced the commencement of geological field work on the Minto/Carmacks Copper-Gold properties.

On July 6, 2009 the Company announced the commencement of Phase II exploration on the Minto/Carmacks Copper-Gold properties.

On September 14, 2009 the Company announced an amendment to the Voigtberg Property Option Agreement, thereby deferring scheduled option payments and work commitments for a period of one year, in consideration for 100,000 BCGold Corp. common shares.

On October 5, 2009 the Company announced the receipt of a bulk sampling report for the Engineer Mine Property from Snowden Mining Industry Consultants Limited – *See page 5 for further details.*

On January 14, 2010 the Company announced an amendment to the Engineer Mine Property Agreement.

On January 25, 2010 the Company announced the receipt of a geophysical report from Aurora Geosciences Ltd., detailing results and interpretations of three Induced Polarization (IP) surveys conducted in late 2009 on the Apex East, WS and ICE properties near the Minto Mine and the Carmacks Copper Project. – *See page 3 for further details.*

On February 16, 2010 the Company announced that three parallel copper-gold trends, individually measuring up to 800 metres in length and width, were defined by soil geochemical and geophysical IP surveys on the Company's Apex East Property, situated immediately north of Capstone Mining Corp.'s ("Capstone") Minto Mine. A diamond drill program was recommended by a BCGold Corp. consultant to test these targets for "Minto-type," high-grade copper and gold mineralization at depth.

## **Exploration Properties**

### Minto/Carmacks Copper-Gold Properties, Central Yukon

BCGold Corp.'s Minto/Carmacks Copper-Gold properties are strategically situated in the Minto/Carmacks Copper-Gold Belt, a rapidly emerging, significant high-grade copper-gold district centered some 220 kilometres northwest of Whitehorse, Yukon. BCGold Corp. is the largest landholder in the Minto/Carmacks Copper-Gold Belt and has an option to earn 100% interest in 17 properties comprising approximately 16,985 hectares. BCGold Corp.'s exploration strategy in the region is focused on the discovery of stand-alone and/or satellite copper-gold deposits, the latter of which could be used to supplement mill feed for nearby mining operations.

The Minto/Carmacks Copper-Gold properties were staked over areas with geological, geochemical and geophysical characteristics known to indicate potential near surface, high-grade, structurally controlled copper-gold mineralization in the Minto/Carmacks Copper Gold Belt. Both Capstone's currently producing Minto Mine and Western Copper Corp.'s ("Western Copper") near-term producing Carmacks Copper Project, located approximately 42 kilometres south of Minto Mine, are located along this trend.

BCGold Corp. has been methodically exploring and advancing its Minto/Carmacks Copper-Gold properties since November 2006. To date, the Company has incurred exploration expenditures in excess of \$3.6 million, has discovered seven significant copper zones and has seven properties with "Minto-type" exploration targets at the drill-ready stage.

At the north end of BCGold Corp.'s property package in the Minto Block, the Company has six properties strategically situated northward and along trend with Capstone's high-grade copper-gold Minto Mine, currently milling approximately 3,200 tonnes per day of open pit ore averaging greater than 2% copper. This past year, exploration efforts by Capstone on their nearby property resulted in: the discovery of a new high-grade copper deposit at Minto North, where drill results in the order of 10.84% copper and 10.41 grams/tonne (g/t) gold, over 13.4

metres, and 3.04% copper and 5.99 g/t gold over 32.3 metres have been recorded; and the discovery of the Minto East zone, reporting drill intercepts in the order of 13.6 metres averaging 3.45% copper and 1.18 g/t gold (*please refer to Capstone's website – [www.capstonemining.com](http://www.capstonemining.com)*). These discoveries exemplify the high-grade nature and exploration potential for more high-grade "Minto-type," copper-gold deposits in the region. BCGold Corp. has six properties north of the Minto Mine, four of which have a number of "Minto-type" exploration targets, consisting of coincidental magnetic, IP chargeability and copper Mobile Metal Ion (MMI™) anomalies, at the drill-ready stage.

South of the Minto Block is the Carmacks Block, where the Company has 11 properties strategically located proximal and adjacent to Western Copper's Carmacks Copper Project. In 2008, BCGold Corp. conducted a comprehensive \$1.2 million, two-phase exploration program, focusing on the Carmacks Block. BCGold Corp. conducted a limited diamond drill program on the adjoining WS Property and intersected 63.1 metres that averaged 0.17% copper (containing 23.6 metres averaging 0.34% copper). BCGold Corp. believes this is a significant new discovery, made just two years after the property was staked.

#### Minto/Carmacks Copper-Gold Properties - 2009 Exploration Program

BCGold Corp.'s 2009 Minto/Carmacks Copper-Gold properties field exploration program commenced in mid-May. Phase I exploration entailed geological mapping and prospecting over a number of copper and/or gold soil MMI™ and IP anomalies defined on six of BCGold Corp.'s properties; trenching and diamond drill targets were confirmed on all six properties. Phase II exploration entailed excavator trenching, road and drill pad construction, three IP geophysical surveys, MMI™ geochemical sampling, mapping and rock sampling.

In January 2010 BCGold Corp. received a geophysical report from Aurora Geosciences Ltd. ("Aurora") detailing results and interpretations of three IP surveys conducted in late 2009 on the Apex East, WS and ICE properties near the Minto Mine and the Carmacks Copper Project. Diamond drilling has been recommended by Aurora on the Apex East and WS properties.

BCGold Corp. spent approximately \$700,000 exploring the Minto/Carmacks Copper-Gold properties in 2009. This total was offset by \$87,000 in grants previously awarded to BCGold Corp. by the Yukon government through the Yukon Mineral Incentives Program (YMIP). The field portion of BCGold Corp.'s 2009 Minto/Carmacks Copper Gold properties exploration program concluded in September 2009. BCGold Corp. is currently compiling exploration results and plans to drill-test a number of "Minto-type" targets in 2010.

#### Carmacks Block

BCGold Corp. commenced 2009 exploration with two separate desk-top, drill target definition studies by third party consultants on the WS Property focusing on structural analysis and multi-element MMI™ data. Results of this work corroborated the definition of a number of copper-gold targets, some of which were subsequently trenched by an excavator.

Geological mapping and prospecting programs by a geologist and prospector team were carried out on the WS, ICE, Peanut and Copper properties. Fieldwork also included line-cutting and 23 kilometres of pole-dipole IP surveys on the ICE and WS East target areas.

A Caterpillar excavator was used to open up three kilometres of drill access roads and excavate 260 metres in seven trenches on the WS Property. Trenching was greatly inhibited over target areas because of permafrost conditions, however all trenches were mapped and sampled in detail. It is evident from this work that trenching is not a reliable means of testing geochemical and geophysical anomalies for copper-gold mineralization in the region and that drill testing is the preferred method.

### Minto Block

In 2009 BCGold Corp. completed detailed geological mapping, prospecting and sampling programs on five properties north of Minto Mine, following up copper  $\pm$  gold soil MMI™ anomalies and coincidental “Minto-type” magnetic and IP anomalies defined previously by BCGold Corp.

The Company received NI 43-101 *Technical Reports* for the Toe and Pepper properties, recently prepared by a third party consultant, Jean Pautler, P.Geo., that recommend additional IP survey work and diamond drilling on both properties. The Toe and Pepper properties meet the requirements of a *Qualifying Transaction*, for the purposes of the Policies of the TSX Venture Exchange, and BCGold Corp. is currently seeking joint venture partners to advance each of these properties. (See section below entitled “Subsequent to the year ended February 28, 2010” for further developments)

On September 9, 2009 BCGold Corp. announced that exploration field work had been accelerated on the Company’s six copper-gold properties in the Minto Block, in light of continued exploration success at Capstone’s newly discovered Minto North deposit. At BCGold Corp.’s Apex East Property, situated immediately north of Capstone’s Minto property, the Company conducted a program entailing geological mapping, prospecting, line-cutting, MMI™ sampling, and a 15 kilometre pole-dipole IP survey.

On February 16, 2010 BCGold Corp. announced that three parallel copper-gold trends, individually measuring up to 800 metres in length and width, had been defined by soil geochemical and geophysical IP surveys on the Company’s Apex East Property, situated immediately north of Capstone’s Minto Mine. A diamond drill program has been recommended by a BCGold Corp. consultant to test these targets for “Minto-type”, high-grade copper and gold mineralization at depth.

### Subsequent to the year ended February 28, 2010

On March 1, 2010 BCGold Corp. announced that the Company had entered into a letter of intent with Goldbard Capital Corp. (“Goldbard”) (GDB.P:TSX-V) whereby, subject to regulatory approval, Goldbard can earn up to a 70% interest in BCGold Corp.’s Pepper Property.

BCGold Corp. has granted Goldbard the option to acquire up to a 60% interest in the Pepper Property by making \$250,000 in cash payments, \$2,000,000 in exploration expenditures and issuing 400,000 shares of Goldbard to BCGold Corp. over a four year period. Goldbard can earn an additional 10% interest in the Pepper Property by completing a bankable feasibility study, for a total interest of up to 70%. In addition to regulatory approval, the Goldbard option is subject to BCGold Corp. and Goldbard entering into a definitive option and joint venture agreement.

A \$350,000 exploration program to be conducted by Goldbard in the first year of the option is scheduled to commence in mid-August 2010 and is expected to consist of up to 1,000 metres of diamond drilling. Drilling would be focused on testing a number of coincidental soil geochemical and geophysical anomalies believed to represent significant copper-gold mineralization at depth.

On March 4, 2010 BCGold Corp. announced that the Company had entered into a letter of intent with Bling Capital Corp. (“Bling”) (BLI.P: TSX-V) whereby, subject to regulatory approval, Bling can earn up to a 70% interest in BCGold Corp.’s Toe Property. On March 31<sup>st</sup>, BCGold Corp. subsequently announced that the Company had entered into an option agreement with Bling, subject to regulatory approval.

BCGold Corp. has granted Bling the option to acquire up to a 60% interest in the Toe Property by making \$250,000 in cash payments, \$2,000,000 in exploration expenditures and issuing 400,000 shares of Bling to BCGold Corp. over a four year period. Bling can earn an additional 10% interest in the Toe Property by completing a feasibility study, for a total interest of up to 70%.

A \$350,000 exploration program to be conducted by Bling in the first year of the option is scheduled to commence in early July, 2010 and is expected to consist of up to 1,000 metres of core drilling in two to four holes. Drilling will be focused on testing a number of coincidental soil geochemical and geophysical anomalies believed to represent significant copper-gold mineralization at depth.

#### Engineer Mine Property, Atlin, British Columbia

The Engineer Mine Property is situated 32 kilometres west of Atlin, British Columbia and 140 kilometres south of Whitehorse, Yukon. Access is by helicopter, floatplane or boat from Atlin, or by boat/barge from the village of Tagish, 55 kilometres north. BCGold Corp. has an option to earn a 100% interest in the Engineer Mine Property and has spent in excess of \$1.4 million in exploration on the property since acquisition in January, 2007.

BCGold Corp. is currently evaluating the best means to advance the Engineer Mine Property. In addition to bulk tonnage, low grade gold mineralization, the Engineer Mine Property offers excellent potential for resource development and near-term, small-scale, high-grade gold production from existing underground headings on the Engineer, Double Decker and Boulder veins. The Company is currently evaluating a number of exploration and development proposals, several of which could involve proceeding by joint venture or on a royalty agreement basis.

On May 5, 2009 the Company announced receipt of an amended permit from the British Columbia Ministry of Environment to fully de-water the Engineer Mine in 2009.

On July 1, 2009 BCGold Corp. announced that the Company had elected not to proceed with de-watering the lowermost mine workings at the Engineer Mine Property in 2009. By the terms of the amended agreement, dated March 9, 2009, BCGold Corp. made a \$30,000 payment to the property vendor, Engineer Mining Corp. ("EMC"). This cash payment allows BCGold Corp. to defer dewatering the Engineer Mine indefinitely and nullifies a previous 30% net profits interest agreement with EMC for the sale of gold extracted from a specified section of the Double Decker Vein between the fifth and eighth mine levels. BCGold Corp. retains an option to earn 100% interest in the Engineer Mine Property with no underlying royalties.

On September 28, 2009 BCGold Corp. applied to the British Columbia Ministry of Environment to extend the permit to dewater the Engineer Mine by one year, until April 15, 2011. This request was approved on November 3, 2009 and the de-watering permit is valid until April 15, 2011.

On October 5, 2009 BCGold Corp. announced the receipt of a bulk sampling technical report from Snowden Mining Industry Consultants Limited ("Snowden") for the Engineer Mine Property. Snowden's report provides guidance to the Company for conducting an underground bulk sampling program at the Engineer Mine Property. A bulk sampling program would provide a sound basis for an underground definition drill program, a NI 43-101 compliant mineral resource estimate and possibly future trial mining.

On January 12, 2010 BCGold Corp. announced it had re-negotiated the option agreement to acquire a 100% interest in the Engineer Mine Property. By the terms of an amending agreement, BCGold Corp. has eliminated and replaced a \$275,000 cash payment, due



January 16, 2010, with the staged issuance of 1.2 million common shares of the Company, and certain other provisions, for a 49% interest in the property. Option terms to earn the remaining 51% of the property remain essentially unchanged and are detailed below.

In 2010, BCGold Corp. intends to drill-test depth extensions of high-grade stopes of the Engineer and Double Decker veins from underground, between the fifth and eighth levels of the mine. It is on the eighth level, along the Double Decker Vein, that historic sampling records indicate a 24.7 metre section that averaged 38.0 g/t gold, containing a 10.0 metre interval averaging 84.3 g/t gold, across the width of the drift (Brinker Report, 1927). This will be the first time that BCGold Corp. will focus on exploring for additional high-grade gold shoots at Engineer Mine.

#### Engineer Amended Agreement Terms

On January 16, 2007, the Company entered into an option agreement, which was subsequently amended in January 2007, 2009 and 2010, to acquire up to a 100% interest in the Engineer Mine Property. The Company can acquire a 49% interest by:

- Paying \$125,000 to EMC by January 16, 2008 (*paid*);
- Issuing an aggregate of 250,000 common shares (*issued – fair value of \$147,500*) and 250,000 Warrants of the Company (*issued – fair value of \$79,763 – expired*) to EMC;
- Making a rental payment of \$30,000 to EMC on January 16, 2010 (*paid*) and thereafter annual rental payments of \$10,000 per year when the mine property is not in production and \$50,000 per year when the mine property is in production. Such rent payments shall cease upon the Company earning a 100% interest in the property or purchasing the surface rights;
- Issuing 1,200,000 common shares of the Company to EMC, of which 400,000 shares will be issued upon approval from the TSX Venture Exchange (*issued – fair value of \$24,000*) and 400,000 shares will be released every six months thereafter;
- Granting a 30% net proceeds interest to EMC from the sale of gold from the Double Decker Vein; and
- Either evaluating and completing an underground de-watering program or evaluating and carrying out a drilling program which will drill test a minimum of two targets by no later than December 31, 2010.

Upon earning the 49% interest, the Company can earn a further 51% interest in stages as follows:

- An additional 11% interest by issuing \$150,000 of value in common shares and 75,000 Warrants of the Company to EMC by January 16, 2011;
- An additional 15% interest by paying \$200,000 or issuing \$200,000 of value in common shares and 100,000 Warrants of the Company to EMC by January 16, 2012; and
- An additional 25% interest by paying \$400,000 or issuing \$400,000 of value in common shares and 100,000 Warrants of the Company to EMC by January 16, 2013.

After earning the 49% interest, the Company may purchase the remaining interest in the surface rights from EMC at fair value subject to a maximum of \$500,000 on the earlier of

January 17, 2017 or the date the Company has ceased mining work, as defined in the agreements.

All payments and issuances may be accelerated at the Company's option.

Each "Warrant" will be exercisable to purchase one common share of the Company for two years following the date of issuance at a price to be determined by taking the weighted average closing price of the common shares for the twenty consecutive trading days immediately prior to the date of issuance, plus 25%.

Subsequent to the year ended February 28, 2010

On March 3, 2010 BCGold Corp. announced that high-grade gold assay results had been received from recent underground channel sampling on four veins at the Engineer Mine Property. Channel samples containing variable amounts of visible electrum, a gold-bearing silver mineral, collected from accessible underground vein exposures on the fifth level of Engineer Mine assayed up to 794.02 g/t gold and 642.33 g/t silver, across vein widths up to 0.5 metres (or 264.68 g/t gold and 214.11 g/t silver over a 1.5 metre minimum mining width). A table summarizing the more significant assay results is presented below:

**Table 1. Engineer Mine Underground Sampling  
Select Chip Sample Assay Results – Level 5**

Level 5 Sample Location	Sample Numbers	Sample Type	Average Gold Grade (g/t)	Average Silver Grade (g/t)	Width metres (m)
Engineer Vein 505 Drift	51601, 51602, 51604	Channel	794.02*	642.33	0.50
	Above diluted to 1.5m minimum mining width		264.68	214.11	1.50
	152208	Channel	4.40	3.10	0.50
Double Decker Vein Underhand Stope	51605, 51607, 51608	Channel	537.69*	298.81	0.48
	Above diluted to 1.5m minimum mining width		172.07	95.69	1.50
Boulder Vein 523 Drift	152113	Channel	14.70	1.90	0.50
Shaft Vein	152224	Channel**	32.30	124.00	1.00
	67604	Grab <sup>+</sup>	860	1,774	N/A

\* Metallic gold assay.

\*\* Horizontal sample collected on drift wall, sub-parallel to vein strike.

<sup>+</sup> Previously reported grab sample – see BCGold Corp. news release dated February 28, 2008.

Channel sample results demonstrate that pockets of bonanza-grade gold mineralization remain in at least four veins on the fifth level of the Engineer Mine. Discrete, vertical high-grade ore shoots is the principle mode of gold and silver mineralization at Engineer Mine.

BCGold Corp. intends to drill test two veins between the fifth and eighth levels of Engineer Mine in 2010 from underground, testing the dip extensions of high-grade shoots defined by historic and recent sampling on the Engineer and Double Decker veins. It is on the eighth

level, along the Double Decker Vein, that historic sampling records indicate a 24.7 metre section averaged 38.0 g/t gold, containing a 10.0 metre interval averaging 84.3 g/t gold, across the width of the drift (Brinker Report, 1927). BCGold Corp. intends to target a number of drill holes in the vicinity of this mineralization in 2010.

#### Voigtberg Property, British Columbia

BCGold Corp. conducted two diamond drill programs on the 2,900 hectare Voigtberg Property in 2006 and 2007, with total exploration expenditures of approximately \$919,000. BCGold Corp. has an option to earn up to a 70% interest in the Voigtberg Property from joint venture partner Kaminak Gold Corp. ("Kaminak"). By the terms of the Voigtberg Option Agreement, BCGold Corp. is required to spend another \$81,000 in exploration in order to earn a 50% interest in the Voigtberg Property.

The Voigtberg Property is situated in the Galore Creek Camp in north-western British Columbia. The exploration target at the Voigtberg Property is a bulk tonnage "porphyry system" that can host gold, copper and other base metals. The principle exploration target is the Gold Zone, where drill hole VG06-05h returned a near-surface intercept of 51.15 metres grading 1.03 g/t gold. The Gold Zone is believed to represent a gold-rich halo located on the periphery of a porphyry copper-molybdenum system.

#### Voigtberg Amended Agreement Terms

On September 11, 2009 BCGold Corp. announced that the Company and Kaminak had amended the Voigtberg Option Agreement entered into on August 18, 2006 (*see BCGold Corp. news release September 15, 2006*)

In consideration for 100,000 common shares of the Company, to be issued to Kaminak within 15 days of TSX Venture Exchange approval (*issued - fair value - \$11,000*), certain agreement dates were amended to include a one year extension and are as follows:

- Original requirement by BCGold Corp. to incur \$1,000,000 in eligible exploration expenditures by September 15, 2009 to earn a 50% interest, now extended to September 15, 2010.
- Original requirement by BCGold Corp. to issue and deliver 100,000 Units of the Company to Kaminak by September 15, 2009, now extended to September 15, 2010.
- Original requirement by BCGold Corp. to incur an additional \$350,000 in eligible exploration expenditures on or before September 15, 2009, now extended to September 15, 2010.
- Original requirement by BCGold Corp. to incur an additional \$650,000 in eligible exploration expenditures on or before the end of September 15, 2010, for an additional 10% interest in the property, now extended to September 15, 2011.

To date, BCGold Corp. has incurred the approximate \$919,000 in eligible exploration expenditures on the Voigtberg Property by conducting geological mapping, sampling, soil geochemical and airborne geophysical surveys and limited diamond drill programs in 2006 and 2007. The exploration focus has been the Gold Zone, partially defined over a 300 metre strike length and a 2006 drill-hole intersection of 51.15 metres averaging 1.03 g/t gold, including an 18.17 metre segment averaging 1.87 g/t gold.

The Voigtberg Property remains a cornerstone gold property for BCGold Corp. It is the Company's intention to follow-up exploration results to date with a limited field program of

mapping, prospecting and trenching in 2010, thereby vesting a 50% ownership in the property.

BCGold Corp. is formulating plans to conduct a geological mapping and prospecting program on the Voigtberg Property in 2010, thereby consolidating the Company's 50% interest in the property. The focus of the 2010 exploration program will be on additional target areas not previously investigated and to define targets for drill testing in 2011.

#### Generative Exploration, British Columbia and Yukon

BCGold Corp. has budgeted up to \$125,000 for generative exploration work in British Columbia and Yukon in 2010. The Company intends to follow-up encouraging gold assay results and pan concentrates in a number of areas worked by BCGold Corp. in Yukon in late 2009, with the expectation to stake a number of claims in 2010. BCGold Corp. is also exploring for blind porphyry copper-gold targets in British Columbia's Quesnel Terrane.

Brian P. Fowler, President and Chief Executive Officer of BCGold Corp., a member of the Professional Engineers and Geoscientists of British Columbia ("APEGBC") and a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, is responsible for the preparation of, and has verified, the technical information in this annual MD&A.

### **Selected Annual Financial Information**

The table below sets forth selected audited financial data relating to the Company for the years ended February 28, 2010, February 28, 2009 and February 29, 2008:

Year ended	February 28, 2010	<i>(Restated)</i> February 28, 2009	<i>(Restated)</i> February 29, 2008
Current assets	\$ 491,006	\$ 926,220	\$ 1,600,010
Resource properties	\$ 1,821,589	\$ 1,644,089	\$ 1,551,964
Property and equipment	\$ 40,782	\$ 46,302	\$ 63,945
Total assets	\$ 2,353,377	\$ 2,616,611	\$ 3,215,919
Liabilities	\$ 165,934	\$ 155,291	\$ 177,026
Total revenue	Nil	Nil	Nil
Net loss	\$(1,222,811)	\$(2,359,961)	\$ (4,566,469)
Basic loss per share	\$ (0.03)	\$ (0.09)	\$ (0.26)
Weighted Avg. shares	40,299,850	26,148,919	17,738,025

**See "Change in Accounting Policy – Resource Property Costs," for a description of the restatement.**

### **Results of Operations**

As BCGold Corp. is in the exploration phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Therefore, mineral exploration expenditures and administrative expenses relating to the operation of the Company's business are being expensed as incurred. Consequently the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interest, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

Additional financing is required for new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

### **Exploration**

Cumulative Spending to February 28, 2010 was as follows:

	Acquisition Costs	Exploration Expenditures	<b>Total Spending at February 28, 2010</b>
Minto/Carmacks Copper-Gold Properties, Yukon Engineer, British Columbia	\$ 653,834	\$ 3,621,041	\$ 4,274,875
Sickle-Sofia, British Columbia	436,263	1,456,830	1,893,093
Voigtberg, British Columbia	579,165	1,007,508	1,586,673
Other Properties, British Columbia	151,944	793,669	945,613
	383	90,300	90,683
	<b>\$ 1,821,589</b>	<b>\$ 6,969,348</b>	<b>\$ 8,790,937</b>

### **Change in Accounting Policy – Resource Property Costs**

During the year ended February 28, 2010, the Company retrospectively changed its accounting policy for exploration expenditures in order to more appropriately align itself with policies applied by other comparable companies, at a similar stage, in the mining industry. Prior to the year ended February 28, 2010, the Company capitalized exploration expenditures and acquisition costs to mineral properties held directly or through an investment and only wrote down capitalized costs when the property was sold, abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to earnings as they are incurred until the mineral property reaches the development stage. Significant costs related to property acquisitions are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. The impact of this change on the previously reported February 28, 2009 financial statements is as follows:

	As Previously Reported	Restatement	<b>As Restated</b>
Resource property costs – February 28, 2009	\$ 7,843,552	\$ (6,199,463)	\$ 1,644,089
Future income tax liability – February 28, 2009	239,320	(239,320)	-
Future income tax recovery – February 28, 2009	387,930	239,320	627,250
Exploration expenses – February 28, 2009	-	2,113,850	2,113,850
Loss for the year ended February 28, 2009	\$ 485,431	\$ 1,874,530	\$ 2,359,961
Loss per share for the year ended February 28, 2009	(0.02)	(0.07)	(0.09)
Deficit at February 28, 2009	\$ 1,953,245	\$ 5,960,143	\$ 7,913,388
Deficit at February 29, 2008	1,467,814	4,085,613	5,553,427

As a result of the restatement, the following additional balances were affected for the year ended February 28, 2009: cash flows used from operating activities increased from (\$669,450) to (\$2,797,717); cash flows used from investing activities decreased from (\$2,357,282) to (\$238,461); cash flows provided from financing activities increased from \$2,363,779 to \$2,373,225; and comprehensive loss for the year increased from (\$1,104,633) to (\$2,472,461).

For the Year Ended February 28, 2010

The net loss for the year ended February 28, 2010 was \$1,222,811 or \$(0.03) per share, after a non-cash future income tax recovery of \$156,750 as compared to the net loss for the year ended February 28, 2009 of \$2,359,961 or \$(0.09) per share, after a non-cash future income tax recovery of \$627,250.

Operating expenses for the year ended February 28, 2010 totalled \$1,385,871 (2009 - \$2,986,485) a decrease of \$1,600,614. The decrease in operating expenses was mainly a result of the following significant operating expenditures:

Conference and meeting expenditures of \$19,761 (2009 - \$46,984), resulting from various expenditures related to travel and accommodation, conference registration fees and meal expenditures incurred. The decrease in conference and meeting expenditures is a direct result of the Company's efforts to temporarily minimize costs in this area. The Company did not travel to various conferences during the year and therefore did not incur significant travel expenditures.

Resource property exploration expenses of \$769,885 (2009 - \$2,113,850), resulting from exploration expenditures incurred on the Company's Minto/Carmacks Copper-Gold properties, the Engineer Mine Property, the Sickle-Sofia Property and the Voigtberg Property. The decrease in resource property exploration expenses was a direct result of the Company scaling back on its exploration activities during the year in order to manage its cash flows more efficiently until economic recovery was imminent.

Professional fees of \$50,315 (2009 - \$86,574), for the ongoing legal and accounting fees incurred in the day-to-day operations of the Company. The decrease in professional fees is due to the fact that the Company did not incur any significant legal or accounting fees, as a result of the Company's efforts to temporarily minimize costs in this area.

General exploration expenses of \$50,564 (2009 - \$32,513), resulting from exploration expenditures incurred by the Company in its attempt to identify outside potential projects/properties which merit further exploration. The increase in general exploration expenses was minimal and is a direct result of the Company spending more of its funds during the year on planned generative work in an attempt to identify a potential new project.

Investor relations fees of \$14,093 (2009 - \$73,463), resulting from fees incurred for the Company's investor relations activities to expand its profile through attendance at various trade and investor relations shows during the year, as well as the dissemination of information relating to the Company's corporate and financing activities and exploration activities. The decrease in investor relations fees is due to less promotional costs being incurred as a result of a decrease in attendances at various trade and investor relations shows. Furthermore, the decrease in investor relations fees can be attributed to a decrease in the dissemination of information as the Company scaled back on its exploration activities during the year.

Stock-based compensation of \$Nil (2009 - \$109,913), resulting from the fair value of stock-based compensation on options vested during the year. The decrease in stock-based compensation is due directly to the fact that no options vested during the current period.

Amortization expense of \$12,520 (2009 - \$69,979). The decrease in amortization expense is a direct result of computing amortization expense during the year based on the remaining unamortized cost of the Company's current capital assets.

Other operating costs during the year ended February 28, 2010 totalled \$468,733 (2009 - \$453,209) representing 33% (2009 - 15%) of total operating expenses including corporate listing and filing fees, office and administration, rent, transfer agency fees and wages and consulting fees.

#### Fourth Quarter Results – Fiscal Year Ended February 28, 2010

During the three month period ended February 28, 2010, the Company retrospectively changed its accounting policy for exploration expenditures in order to more appropriately align itself with policies applied by other comparable companies, at a similar stage, in the mining industry. As a result of this change in accounting policy, the Company's net loss increased slightly during the fourth quarter by \$217,028 (2009 – decrease of \$429,182). Had the Company not changed its accounting policy, the net loss would have increased by approximately \$161,367 (2009 - decrease \$125,673).

The Company's largest expenditures during the fourth quarter were resource property exploration expenditures of \$50,297 (2009 – recovery of resource property exploration expenditures of \$303,509), general exploration expenditures of \$21,034 (2009 - \$6,766), wages and consulting fees of \$76,297 (2009 - \$69,331), office and administration expenses of \$15,717 (2009 - \$8,111) and rent of \$10,469 (2009 - \$6,892). As a result of the increase in the Company's net loss during the fourth quarter, the accumulated deficit increased from \$8,919,171 to \$9,136,199.

### Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the quarter ended February 28, 2010 and the previous seven quarters in Canadian dollars. Fiscal quarters prior to the quarter ended February 28, 2010 have all been restated to conform to the change in accounting policy.

	February 28, 2010 \$	(Restated) November 30, 2009 \$	(Restated) August 31, 2009 \$	(Restated) May 31, 2009 \$	(Restated) February 28, 2009 \$	(Restated) November 30, 2008 \$	(Restated) August 31, 2008 \$	(Restated) May 31, 2008 \$
Net income (loss)	(217,028)	(394,576)	(487,388)	(123,819)	429,182	(1,056,586)	(1,728,706)	(3,851)
Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.00)	0.01	(0.04)	(0.08)	(0.00)

**See “Change in Accounting Policy – Resource Property Costs,” for a description of the restatement.**

### Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash inflows. At February 28, 2010 the Company had working capital of \$325,072 (February 28, 2009 - \$770,929). – See “Subsequent Events” section within this MD&A.

### **Financing Activities**

On July 27, 2009 the Company closed a non-brokered private placement of 5,375,000 flow-through units ("FT Units") priced at \$0.08 per unit for gross proceeds of \$430,000. Each FT Unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. In connection with this private placement, the Company issued 161,250 Finder's Units priced at \$0.08 per unit. The Company has recorded the fair value of these units as share issuance costs. Each "Finder's Unit" comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. The warrants attached to this private placement have been valued at \$97,985 (\$118,574 net of warrant issuance costs of \$20,589) based upon the average of the Residual Method and the Black-Scholes Method. Finder's fees of \$21,500 were paid in cash.

In connection with the private placement, completed on July 27, 2009, the Company issued 430,000 Broker's Options (fair value - \$27,528) and has recorded the fair value of these options as share issuance costs. Each "Broker's Option" consists of one non flow-through common share exercisable at a price of \$0.08 per share and one-half of one non-flow through common share purchase warrant, each whole warrant being exercisable to purchase one non flow-through common share at a price of \$0.15 per share. The Broker's Options are exercisable for a period of one year from the date of issuance. The Broker's Options have been valued based on the average of the Residual Method and the Black-Scholes Method.

On August 7, 2009 the Company closed a non-brokered private placement of 2,462,500 flow-through units ("FT Units") priced at \$0.08 per unit and 7,305,000 non flow-through units ("NFT Units") priced at \$0.06 per unit for aggregate gross proceeds of \$635,300. Each FT Unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. Each NFT Unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.12 per share for a period of one year from the date of issuance.

In connection with the private placement, completed on August 7, 2009, the Company issued 14,000 finder's units priced at \$0.08 per unit and 243,250 finder's units priced at \$0.06 per unit. The Company has recorded the fair value of these finder's units as share issuance costs. The 14,000 finder's units comprise of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. The 243,250 finder's units comprise of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.12 per share for a period of one year from the date of issuance. The warrants attached to this issuance have been valued at \$226,899 (\$242,595 net of warrant issuance costs of \$15,696) based on the average of the Residual Method and the Black-Scholes Method. Finder's fees of \$10,255 were paid in cash.



For the Year Ended February 28, 2010

Cash and cash equivalents decreased by \$367,078 (2009 - \$662,953) during the year ended February 28, 2010 from \$572,013 to \$204,935. In addition, the Company had \$179,500 (2009 - \$145,000) in short-term investments. – See “Subsequent Events” section within this MD&A

Cash used in operating activities during the year ended February 28, 2010 was \$1,367,041 (2009 – \$2,807,319) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities for the year ended February 28, 2010 was \$1,216,262 (2009 – \$2,797,717).

Cash used for investing activities during the year ended February 28, 2010 was \$164,000 (2009 - \$238,461). The investing activities were as follows: short-term investments of \$34,500 (2009 – \$133,000), acquisition of resource properties of \$122,500 (2009 – \$53,125), and an increase in property and equipment of \$7,000 (2009 - \$52,336).

During the year ended February 28, 2010, the Company’s cash flows from financing activities, being proceeds from share and warrant issuances, totalled \$1,013,184 (2009 – \$2,373,225).

At present, the Company’s operations do not generate cash inflows and its financial success is dependent on management’s ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company’s control.

The Company currently has sufficient financial resources to meet its administrative overhead and property commitments for the next eight months from the date of this MD&A and believes that it can raise additional funds to undertake its planned exploration activities. – See “Subsequent Events” section within this MD&A

In order to finance the Company’s future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company’s ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company’s track record and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the near term, but recognizes there are risks beyond its control.

## **Liquidity Outlook**

### Cash Generating Potential

In order to finance future operations, the Company will pursue the following alternatives:

Raise additional financing;

Enter into joint ventures with other parties in order to continue its planned exploration activities; and

See “Subsequent Events.”

### Cash Utilization Requirements

The Company has the following requirements:

Cash is needed to fund both its exploration activities and its administrative activities. This amount varies depending on the amount of capital raised. The Company concluded its fieldwork programs for the winter, as intended, and will re-commence in the spring. The Company has also scaled down on its administrative expenditures, in particular its investor relations activities and travel and conference fees;

The Company has both cash commitments and property expenditure commitments due within the next twelve months; however, as these properties are under option only, the Company is not obligated to meet these commitments.

## **Strategy and Risk Management**

In light of current economic conditions, the Company concluded its fieldwork programs on its properties for fiscal 2009, as intended, and will re-commence operations in the spring of 2010. Further exploration activities are dependent on the Company obtaining financing to meet its planned exploration activities. The Company has also scaled down on its administrative expenditures, in particular its investor relations activities and travel and conference fees. Management believes that it will be able to raise additional capital in order to meet both its planned exploration activities and its administrative expenditures.

## **Exploration Stage Company**

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in proven ore deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.

Many competitors are in the business, some of which have greater financial, technical and other resources than the Company.

Mining involves many hazards and risks in the field such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions and many other conditions.

Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.

Lack of assurance that: the Company will be able to obtain all necessary permits and approvals to conduct its affairs or that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.

Operations of the Company are subject to environmental regulation, a breach of which may result in imposition of enforcement actions. Environmental hazards may exist on current properties which are presently unknown to the Company and regulations and laws change over time.

World prices for metals can be unstable and unpredictable and may materially affect the Company's operations, as well as economic conditions which may change the demand for minerals.

The securities markets worldwide can experience high price and volume volatility.

The Company is dependent on the services of several key individuals, the loss of which could significantly affect operations.

There is potential for officers and directors of the Company to have conflicts of interest with other entities.

Uncertainties as to the development and implementation of future technologies.

Changes in accounting policies and methods may affect how the financial condition of the Company is reported.

Breaches of contracts, such as property agreements, could result in significant loss.

## **Dividends**

BCGold Corp. has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of BCGold Corp. and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

## **Nature of the Securities**

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

## **Proposed Transactions**

At present, there are no proposed transactions required to be disclosed.

## **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning BCGold Corp.'s general and administrative expenses and resource property costs is provided in the Company's *Statement of Loss and Deficit and Schedule of Resource Property Costs* contained in its Audited Financial Statements for the Year Ended February 28, 2010, available on BCGold Corp.'s website at [www.bcgoldcorp.com](http://www.bcgoldcorp.com) or on its SEDAR site page accessed through [www.sedar.com](http://www.sedar.com).

## **Transactions with Related Parties**

During the year ended February 28, 2010, the Company paid consulting fees of: \$170,000 (2009 - \$170,000) to Mr. Brian P. Fowler (President and Chief Executive Officer); \$Nil (2009 - \$24,580) to Omni Resource Consulting Ltd. (a company controlled by the former Vice President of

Corporate Development); \$8,400 (2009 – \$3,850) to Ms. Kim Casswell (Officer of the Company); \$Nil (2009 - \$12,500) to Mr. Peter Kendrick (former Chief Financial Officer) and \$59,349 (2009 - \$26,673) to Mr. Larry Okada (present Chief Financial Officer).

Related party transactions are in the normal course of business, occur on terms similar to transactions with non-related parties, and are therefore measured at the exchange amount.

### **Off-Balance Sheet Arrangements**

The Company had no off-balance sheet arrangements as at February 28, 2010 or as at the date hereof.

### **Outstanding Share Data**

BCGold Corp.'s authorized capital is unlimited common shares without par value. As at June 7, 2010, the following common shares, options, broker's options, broker's warrants and share purchase warrants were outstanding:

	<b># of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Issued and Outstanding Common Shares at June 7, 2010	61,628,790		
Share Purchase Warrants	825,000	\$0.50	October 3, 2010
	100,000	\$0.50	October 15, 2010
	2,768,125	\$0.15	July 27, 2010
	1,238,250	\$0.15	August 7, 2010
	3,774,125	\$0.12	August 7, 2010
	100,000	\$0.50	October 15, 2011
	5,080,000	\$0.15	October 30, 2011
	2,003,100	\$0.20	October 30, 2011
Stock Options	310,000	\$0.10	June 5, 2011
	190,000	\$0.45	September 15, 2011
	100,000	\$0.70	June 19, 2012
	556,000	\$0.70	August 22, 2012
	825,000	\$0.20	October 24, 2013
	1,745,000	\$0.10	January 11, 2015
Broker's Options	430,000	\$0.08	July 27, 2010
Broker's Warrants	215,000	\$0.15	July 27, 2010
	580,000	\$0.15	October 30, 2011
Fully Diluted at June 7, 2010	<b>82,468,390</b>		

### **New Accounting Policies**

The accounting policies followed by the Company are set out in *Note 3* of the Audited Financial Statements for the Year Ended February 28, 2010 and have been consistently followed in the preparation of the financial statements except that the Company has retrospectively changed its accounting policy for exploration costs, as previously discussed, and has adopted the following Canadian Institute of Chartered Accountants (CICA) guidelines during the fiscal year ended February 28, 2010:

#### **Credit Risk and Fair Value of Financial Assets and Financial Liabilities**

Effective January 2009, the CICA approved EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has

evaluated the new section and determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

### **Mining Exploration Costs**

Effective March 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company has evaluated this new section and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

### **Financial Instruments – Disclosure, Section 3862**

In June 2009, CICA Handbook Section 3862 was further amended to include disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

- Level 1:** Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates.
- Level 3:** Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for fiscal years ending after September 20, 2009. The Company has adopted these amendments for the fiscal year ended February 28, 2010.

## **Recent Canadian Accounting Pronouncements**

The following recent Canadian accounting pronouncements will be adopted by the Company March 1, 2010. Recent Canadian accounting pronouncements that have been issued but are not yet effective, and which may affect the Company's financial reporting, are as follows:

### **International Financial Reporting Standards ("IFRS")**

In February 2008 the Accounting Standards Board ("AcSB") announced that the changeover date for publicly listed companies to use IFRS, which replaces Canadian Generally Accepted Accounting Principles ("GAAP"), shall be for interim and annual financial statements beginning on or after January 1, 2011. The Company will also require a restatement for the comparative purposes of amounts reported by the Company for the 2010 fiscal year.

The Company has commenced the process to transition from GAAP to IFRS and has determined that the process will comprise various phases. The phases would be scoping and diagnosis, analysis and quantification and evaluation and implementation.

A preliminary diagnostic review indicated that the greatest areas of impact would be in the areas of impairment of assets, financial instruments, related party transactions and initial adoption alternatives under IFRS 1.

The analysis and quantification and evaluation stage requires the specification of changes, their impact on accounting policies and information systems and an analysis of alternatives allowed under IFRS 1. The Company has not determined the potential impact on future financial statements and reporting at this time.

The implementation phase involves the execution of changes to information systems and authorization to accounting policy changes followed by the collection of financial information necessary to compile the IFRS financial statements.

IFRS 1 is a first time adoption Standard which provides companies adopting IFRS for the first time numerous optional exemptions and mandatory exceptions. The accounting policy choices are being evaluated and those determined to be appropriate are anticipated to be adopted.

The CICA is currently developing new projects that are expected to become new IFRS standards and therefore IFRS standards as at the transition date are expected to differ from the current form. The full impact of IFRS will only be determined once all applicable standards at the conversion date are known.

## Financial Instruments

### Fair Value

The Company designated its cash and cash equivalents and short-term investments as held-for-trading, which are measured at fair value. GST and other receivables have been designated as loans and receivables, which are initially recorded at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Marketable securities have been designated as available-for-sale, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of February 28, 2010, the balance sheet carrying amounts of these financial instruments closely approximate their fair value, and the Company held no derivative instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

The following provides a comparison of carrying and fair value amounts of each classification of financial instruments as at February 28, 2010:

	February 28, 2010	February 29, 2009
Held-for-trading	\$ 384,435	\$ 717,013
Loans and receivables	\$ 32,996	\$ 157,245
Available-for-sale	\$ 62,500	\$ 25,000
Other financial liabilities	\$ 165,934	\$ 155,291

During the fiscal year ended February 28, 2010, the Company adopted the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value. The financial instruments from the above schedule, which are covered by the new hierarchy disclosures, are cash and cash equivalents and short-term investments. These are both classified as Level 1 – quoted prices in active markets.

## **Financial Risk Management**

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk.

### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits its cash and cash equivalents with high credit quality major Canadian financial institutions as determined by ratings agencies, with original maturities of less than 90 days. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash and cash equivalent balances. The Company monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

## **Recent Developments and Outlook**

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its resource properties.

## **Going Concern**

While the audited financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of \$9,136,199 at February 28, 2010. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include BCGold Corp.'s performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

## Corporate Governance

The Board of Directors of BCGold Corp. comprises of five directors, three of whom are considered to be independent.

## Subsequent Events

- a) Subsequent to the year end, the Company entered into an option agreement with Bling Capital Corp. ("Bling") whereby the Company granted Bling the option to acquire up to a 60% interest in the Toe Property, which is one of several mineral properties the Company holds in the vicinity of the Minto and Carmacks (Williams Creek) copper-gold deposits. Bling can earn a 60% interest by making \$250,000 in cash payments, incurring \$2,000,000 in exploration expenditures and issuing 400,000 shares of Bling to BCGold Corp. over a four year period. Bling can earn an additional 10% interest in the Toe Property by completing a feasibility study during the following three years, thereby increasing its total interest to 70%.

As part of the option agreement, Bling is required to conduct a \$350,000 work program, which is to include up to 1,000 metres of diamond drilling on the Toe Property in 2010. BCGold Corp. will be the operator for this drill program and receive a 10% operator's fee.

- b) Subsequent to the year end, the Company completed a non-brokered private placement and issued 10,160,000 non flow-through units ("NFT Units") priced at \$0.08 per NFT Unit and 4,006,200 flow-through units ("FT Units") priced at \$0.10 per FT Unit, for gross proceeds \$1,213,420.

Each NFT Unit consists of one common share and one-half of one common share purchase warrant, each whole warrant exercisable to purchase one additional NFT common share for a period of 18 months from the date of issuance at a price of \$0.15.

Each FT Unit consists of one flow-through common share and one-half of one common share purchase warrant, each whole warrant exercisable to purchase one additional NFT common share for a period of 18 months from the date of issuance at a price of \$0.20.

The securities are subject to a four month hold period and may not be traded until August 31, 2010, except as permitted by the Canadian securities legislation and TSX Venture Exchange. Finder's fees totalling \$49,930 in cash and 560,000 in broker's warrants options were paid by the Company.

- c) Subsequent to the year end, the Company entered into a letter of intent with Goldbard Capital Corp. ("Goldbard") whereby, subject to regulatory approval, Goldbard can earn up to a 70% interest in BCGold Corp.'s Pepper Property, which is one of several mineral properties the Company holds in the vicinity of the Minto and Carmacks (Williams Creek) copper-gold deposits.

Goldbard can acquire up to a 60% interest in the Pepper Property by making \$250,000 in cash payments, incurring \$2,000,000 in exploration expenditures and issuing 400,000 shares of Goldbard to BCGold Corp. over a four year period. Goldbard may then earn an additional 10% interest in the Pepper Property by completing a bankable feasibility study, for a total interest of 70%.

In addition to regulatory approval, the Goldbard option is subject to BCGold Corp. and Goldbard entering into a definitive option and joint venture agreement.



## Forward-Looking Information

Certain statements made and information contained in this annual MD&A and elsewhere constitutes “forward-looking information” within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company’s expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within British Columbia and the Yukon will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

## Approval

The Board of Directors of BCGold Corp. have approved the disclosure contained in this annual MD&A. A copy of this annual MD&A will be provided to anyone who requests it.

## Additional Information

Additional Information relating to BCGold Corp. is on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting:

BCGold Corp.  
Suite 1400 - 625 Howe Street  
Vancouver, BC CANADA  
V6C 2T6  
Tel: (604) 646-1589  
Fax: (604) 642-2411  
[www.bcgoldcorp.com](http://www.bcgoldcorp.com)  
Email: [bfowler@bcgoldcorp.com](mailto:bfowler@bcgoldcorp.com)  
Attention: Brian Fowler, President and Chief Executive Officer

/s/ “Brian Fowler”  
Brian Fowler  
President and Chief Executive Officer

/s/ “Larry Okada”  
Larry Okada  
Chief Financial Officer

**BCGOLD CORP.**

**(An Exploration Stage Company)**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2010 and 2009

*(Stated in Canadian Funds)*

## AUDITORS' REPORT

To the Shareholders of BCGold Corp.

We have audited the balance sheets of BCGold Corp. as at February 28, 2010 and 2009 and the statements of loss and deficit, comprehensive loss and accumulated other comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2010 and 2009 and the results of its operations, and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



**CHARTERED ACCOUNTANTS**  
**Vancouver, Canada**

June 7, 2010

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Balance Sheet**

(Stated in Canadian Funds)

Statement 1

<b>ASSETS</b>	<b>As at February 28, 2010</b>	<i>(Restated – Note 3b)</i> <b>As at February 28, 2009</b>
<b>Current</b>		
Cash and cash equivalents <i>(Note 8f)</i>	\$ 204,935	\$ 572,013
Short-term investments <i>(Note 4)</i>	179,500	145,000
Marketable securities <i>(Note 5)</i>	62,500	25,000
GST and other receivables	32,996	157,245
Prepaid expenses	11,075	26,962
	<b>491,006</b>	<b>926,220</b>
<b>Property and Equipment</b> <i>(Note 6)</i>	<b>40,782</b>	<b>46,302</b>
<b>Resource Property Costs</b> <i>(Note 7) – Schedule</i>	<b>1,821,589</b>	<b>1,644,089</b>
	<b>\$ 2,353,377</b>	<b>\$ 2,616,611</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 165,934	\$ 155,291
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> <i>(Note 8a)</i>	<b>9,496,653</b>	<b>8,943,245</b>
<b>Share Purchase Warrants</b> <i>(Note 8c)</i>	<b>388,934</b>	<b>954,237</b>
<b>Contributed Surplus</b> <i>(Note 9)</i>	<b>1,654,305</b>	<b>730,976</b>
<b>Accumulated Other Comprehensive Loss</b> – <i>Statement 3</i>	<b>(216,250)</b>	<b>(253,750)</b>
<b>Deficit</b> – <i>Statement 2</i>	<b>(9,136,199)</b>	<b>(7,913,388)</b>
	<b>2,187,443</b>	<b>2,461,320</b>
	<b>\$ 2,353,377</b>	<b>\$ 2,616,611</b>

**Going Concern** *(Note 1)*

**Subsequent Events** *(Note 13)*

ON BEHALF OF THE BOARD:

“Brian Fowler”, Director

“Guy Le Bel”, Director

- See Accompanying Notes to the Financial Statements -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Statement of Loss and Deficit**

Statement 2

(Stated in Canadian Funds)

	For the year ended February 28, 2010	(Restated – Note 3b) For the year ended February 28, 2009
<b>Expenses</b>		
Amortization	\$ 12,520	\$ 69,979
Conferences and meetings	19,761	46,984
Corporate listing and filing fees	17,066	16,917
General exploration	50,564	32,513
Investor relations	14,093	73,463
Office and administration	73,643	70,127
Professional fees	50,315	86,574
Rent	39,314	34,779
Resource property exploration expenses (Note 7)	769,885	2,113,850
Stock-based compensation (Note 8d)	-	109,913
Transfer agent fees	12,116	12,504
Wages and consulting fees	326,594	318,882
<b>Loss before the undernoted</b>	<b>(1,385,871)</b>	<b>(2,986,485)</b>
<b>Other Income (Expenses)</b>		
Interest and other income	7,734	50,610
Interest and penalties expense	(1,424)	(51,336)
	<b>6,310</b>	<b>(726)</b>
<b>Loss before income taxes</b>	<b>(1,379,561)</b>	<b>(2,987,211)</b>
<b>Future income tax recovery (Note 12a)</b>	<b>156,750</b>	<b>627,250</b>
<b>Net loss for the year</b>	<b>(1,222,811)</b>	<b>(2,359,961)</b>
<b>Deficit - Beginning of Year</b>	<b>(7,913,388)</b>	<b>(5,553,427)</b>
<b>Deficit - End of Year</b>	<b>\$ (9,136,199)</b>	<b>\$ (7,913,388)</b>
<b>Basic Loss per Share (Note 3p)</b>	<b>\$ (0.03)</b>	<b>\$ (0.09)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>40,299,850</b>	<b>26,148,919</b>

- See Accompanying Notes to the Financial Statements -

**BCGold Corp.**  
 (An Exploration Stage Company)

Statement 3

**Statement of Comprehensive Loss and Accumulated Other Comprehensive Loss**

(Stated in Canadian Funds)

	<i>(Restated – Note 3b)</i>	
	For the year ended February 28, 2010	For the year ended February 28, 2009
<b>Comprehensive Loss</b>		
<b>Net loss for the year before comprehensive loss</b>	\$ (1,222,811)	\$ (2,359,961)
Unrealized gain (loss) on marketable securities	37,500	(112,500)
<b>Comprehensive loss for the year</b>	<b>\$ (1,185,311)</b>	<b>\$ (2,472,461)</b>
<b>Accumulated Other Comprehensive Loss</b>		
	For the year ended February 28, 2010	For the year ended February 28, 2009
<b>Balance, beginning of the year</b>	\$ (253,750)	\$ (141,250)
Unrealized gain (loss) on marketable securities	37,500	(112,500)
<b>Balance, end of the year</b>	<b>\$ (216,250)</b>	<b>\$ (253,750)</b>

- See Accompanying Notes to the Financial Statements -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Statement of Cash Flows**

Statement 4

(Stated in Canadian Funds)

	For the year ended February 28, 2010	(Restated – Note 3b) For the year ended February 28, 2009
<b>Cash Flows from Operating Activities</b>		
Net loss for the year	\$ (1,222,811)	\$ (2,359,961)
Items not affected by cash:		
Future income tax recovery (Note 12a)	(156,750)	(627,250)
Stock-based compensation (Note 8d)	-	109,913
Amortization	12,520	69,979
	<u>(1,367,041)</u>	<u>(2,807,319)</u>
Change in non-cash working capital:		
GST and other receivables	124,249	51,998
Prepaid expenses	15,887	(20,661)
Accounts payable and accrued liabilities	10,643	(21,735)
	<u>(1,216,262)</u>	<u>(2,797,717)</u>
<b>Cash Flows from Investing Activities</b>		
Short-term investments	(34,500)	(133,000)
Purchase of property and equipment, net	(7,000)	(52,336)
Resource property costs, net	(122,500)	(53,125)
	<u>(164,000)</u>	<u>(238,461)</u>
<b>Cash Flows from Financing Activities</b>		
Issuance of share capital and share purchase warrants, net	1,013,184	2,373,225
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(367,078)</b>	<b>(662,953)</b>
<b>Cash and Cash Equivalents- Beginning of Year</b>	<b>572,013</b>	<b>1,234,966</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 204,935</b>	<b>\$ 572,013</b>

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Fair value of warrants issued for properties	\$ 5,613	\$ 9,446
Issuance of shares for properties	\$ 55,000	\$ 39,000
Fair value of finder's units issued	\$ 28,615	\$ -
Fair value of broker's options and warrants issued	\$ 27,528	\$ -

- See Accompanying Notes to the Financial Statements -

# **BCGold Corp.**

(An Exploration Stage Company)

## **Notes to the Financial Statements**

**For the years ended February 28, 2010 and 2009**

*(Stated in Canadian Funds)*

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### **1. Nature of Operations and Going Concern**

The Company is an exploration stage enterprise focusing on the acquisition, exploration and development of economic gold and other precious and base metal properties. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no sources of revenue, and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The recoverability of amounts shown for resource properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to make scheduled payments under each of its property agreements, the development of these properties and future profitable production or proceeds from the disposition of mineral properties.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of \$9,136,199 at February 28, 2010. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include BCGold's performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

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### **2. Comparative Figures**

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

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**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to the Financial Statements**  
For the years ended February 28, 2010 and 2009  
*(Stated in Canadian Funds)*

**3. Significant Accounting Policies**

**a) Basis of Presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies followed by the Company are set out below and have been consistently followed in the preparation of these financial statements as compared to prior years, except that the Company has adopted certain new CICA guidelines described in Note 3v, Note 3w and Note 3x and has retrospectively changed its accounting policy related to exploration expenditures as described in Note 3b.

**b) Change in Accounting Policy – Resource Property Costs**

During the year ended February 28, 2010, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies applied by other comparable companies at a similar stage in the mining industry. Prior to the year ended February 28, 2010, the Company capitalized exploration expenditures and acquisition costs to mineral properties held directly or through an investment, and only wrote down capitalized costs when the property was sold, abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to earnings as they are incurred until the mineral property reaches the development stage. Significant costs related to property acquisitions are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. The impact of this change on the previously reported February 28, 2009 financial statements is as follows:

	As Previously Reported	Restatement	As Restated
Resource property costs – February 28, 2009	\$ 7,843,552	\$ (6,199,463)	\$ 1,644,089
Future income tax liability – February 28, 2009	239,320	(239,320)	-
Future income tax recovery – February 28, 2009	387,930	239,320	627,250
Exploration expenses – February 28, 2009	-	2,113,850	2,113,850
Loss for the year ended February 28, 2009	\$ 485,431	\$ 1,874,530	\$ 2,359,961
Basic loss per share for the year ended February 28, 2009	(0.02)	(0.07)	(0.09)
Deficit at February 28, 2009	\$ 1,953,245	\$ 5,960,143	\$ 7,913,388
Deficit at February 29, 2008	1,467,814	4,085,613	5,553,427

As a result of the restatement, the following additional balances were affected for the year ended February 28, 2009: cash flows used from operating activities increased from (\$669,450) to (\$2,797,717); cash flows used from investing activities decreased from (\$2,357,282) to (\$238,461); cash flows provided from financing activities increased from \$2,363,779 to \$2,373,225; and comprehensive loss for the year increased from (\$1,104,633) to (\$2,472,461).

**c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at cost, which approximates their fair value.

**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to the Financial Statements**  
For the years ended February 28, 2010 and 2009  
(Stated in Canadian Funds)

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**3. Significant Accounting Policies – Continued**

**d) Short-term Investments**

Short-term investments comprise mainly of cashable Guaranteed Investment Certificates (GIC's) with original terms to maturity ranging from four to twelve months.

**e) Resource Property Costs**

During the year ended February 28, 2010, the Company retrospectively changed its accounting policy relating to mineral property exploration expenditures and it now expenses exploration expenditures when incurred (*Note 3b*).

Significant costs related to property acquisitions are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized and will be amortized against production following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance historical characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

**f) Asset Retirement Obligations**

The Company recognizes the fair value of legal obligations relating to the retirement of long-lived tangible assets arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement obligations are recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. Any liability is subject to accretion over time for increases in the fair value of the liability.

At February 28, 2010, no asset retirement costs have been recognized as none of the Company's properties are estimated to require any remediation or other expenditures upon their retirement.

**g) Comprehensive Income (Loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income (loss) includes the holding gains and losses from available-for-sale securities which are not included in net income (loss) until realized.

**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to the Financial Statements**  
For the years ended February 28, 2010 and 2009  
(Stated in Canadian Funds)

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**3. Significant Accounting Policies – Continued**

**h) Marketable Securities**

Marketable securities consisting of common shares of a public company are classified as available-for-sale and are reported at market value. At the end of each reporting period, management determines if there has been a change in the market value of each individual security and records an adjustment to market value, with the offsetting debit or credit to other comprehensive income (loss).

**i) Amortization**

The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

Computer equipment	30 %
Computer software	100 %
Office furniture and equipment	20 %
Project field equipment	20 %

**j) Income Taxes**

The Company accounts for income taxes under the asset and liability method. Under the asset and liability method, the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences between the time when income and expenses are recognized in accordance with Company accounting practices and the time they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory enacted tax rates expected to be in effect when the temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantively enacted. A valuation allowance is established, as needed, to reduce the future income tax asset to the amount that is more likely than not to be realized.

**k) Share Capital**

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

**l) Stock-Based Compensation**

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of options is charged to operations immediately or on the basis of the vesting period, which may be determined by the Board of Directors, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to the Financial Statements**  
For the years ended February 28, 2010 and 2009  
*(Stated in Canadian Funds)*

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**3. Significant Accounting Policies – Continued**

**m) Impairment of Long-Lived Assets**

Management reviews and evaluates the carrying value of its mineral properties and property and equipment for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

**n) Management's Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant areas where management's judgment is applied include asset and investment valuations, contingent liabilities including matters in litigation, tax provisions and future tax balances including valuation allowances in respect of future tax balances and accrued liabilities. Actual results could differ from these estimates.

**o) Warrants**

The fair value of warrants issued is estimated on the date of grant and the value is recorded as a separate component of equity. Upon the expiry of any warrants, the fair value which was estimated is reclassified to contributed surplus.

**p) Basic Loss per Share**

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. Since the Company has losses, fully diluted loss per share is not presented as the exercise of outstanding stock options and warrants would be anti-dilutive.

**q) Flow-Through Shares**

The Company follows the recommendations of the Emerging Issues Committee, relating to flow-through shares. Under the terms of Canadian flow-through share legislation, the tax attributes of qualifying expenditures are renounced to subscribers. To recognize the foregone tax benefits, share capital is reduced and a future income tax liability is recognized as the related expenditures are renounced. To the extent available, this future income tax liability is then reduced by the recognition of previously unrecorded future income tax assets on unused tax losses and deductions.

**r) Mineral Exploration Tax Credits ("METC")**

The Company recognizes METC amounts when the Company's METC application is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Financial Statements

For the years ended February 28, 2010 and 2009

(Stated in Canadian Funds)

### 3. Significant Accounting Policies – Continued

#### s) Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial instruments are classified as one of the following: held-to-maturity investments, loans and receivables, available-for-sale, held-for-trading or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost, using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. The standard also permits the designation of any financial instruments as held-for-trading upon initial recognition.

All derivative instruments, including certain embedded derivatives that are required to be separated from their host contracts, are recorded on the balance sheet at fair value and market-to-market adjustments on these instruments are included in net income. The Company has no derivative instruments.

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments:

Cash and cash equivalents .....	Held-for-trading
Short-term investments .....	Held-for-trading
GST and other receivables .....	Loans and receivables
Marketable securities .....	Available-for-sale
Accounts payable and accrued liabilities .....	Other financial liabilities

All other financial instruments are recorded at cost or amortized cost, subject to impairment assessments. Interest is calculated using the effective interest method.

Transaction costs incurred to acquire or issue financial instruments are included in the initial carrying amount of the relevant financial instrument.

Where a financial asset classified as held-to-maturity or available-for-sale has a loss in value which is considered to be other than temporary, the financial asset is written down to recognize the loss by a charge to earnings.

#### t) General Standards of Financial Statement Presentation

The Company adopted the provisions of CICA 1400, "General Standards of Financial Statement Presentation," which was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The standard was adopted by the Company in the prior fiscal year and the adoption of this section did not have an impact on the financial statements.

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Financial Statements

For the years ended February 28, 2010 and 2009

(Stated in Canadian Funds)

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### 3. Significant Accounting Policies – Continued

#### u) Financial Instruments – Disclosure and Presentation

The Company previously adopted CICA Handbook Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. The objective of these standards is to provide more information for users of the Company's financial statements to understand the significance of financial instruments to the Company's financial position, performance, and cash flows. These new standards have superseded CICA Handbook Section 3861 and the impact of adopting this section is disclosed in Note 11.

#### Adoption of New Canadian Accounting Pronouncements

The Company has adopted the following CICA guidelines during the fiscal year:

#### v) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 "Credit Risk and Fair Value of Financial Assets and Financial Liabilities." This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has evaluated this new section and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

#### w) Mining Exploration Costs

Effective March 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company has evaluated this new section and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

#### x) Financial Instruments – Disclosure, Section 3862

In June 2009, Handbook Section 3862 was further amended to include disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising of three levels reflecting the significance of the inputs used in making the measurements, described as follows:

**Level 1:** Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Financial Statements

For the years ended February 28, 2010 and 2009

(Stated in Canadian Funds)

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### 3. Significant Accounting Policies – Continued

#### x) Financial Instruments – Disclosure, Section 3862 – Continued

**Level 3:** Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for fiscal years ending after September 20, 2009. The Company has adopted these amendments for the fiscal year ended February 28, 2010 and the additional required disclosures are included in Note 11.

#### Recent Canadian Accounting Pronouncements

Recent Canadian accounting pronouncements that have been issued but are not yet effective, and which may affect the Company's financial reporting are summarized below:

#### y) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for all publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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### 4. Short-term Investments

As at February 28, 2010, the Company has invested \$134,500 into Guaranteed Investment Certificates (“GICs”) with a Canadian Financial Institution. These GICs are yielding interest at rates ranging from 0.2% to 0.4% and with maturity dates ranging from 4 to 12 months. The Company has also invested a total \$45,000 into various GICs with a Canadian financial institution as part of a Safe-Keeping Agreement. These funds are being held to the order of the Ministry of Energy Mines and Petroleum Resources. These GICs are yielding interest at rates ranging from 0.2% to 0.4%. All short-term investments have been classified as held-for-trading. A summary of the details above is as follows:

	<u>February 28, 2010</u>	<u>February 28, 2009</u>
Guaranteed Investment Certificates	\$ 134,500	\$ 100,000
Guaranteed Investment Certificates - Safekeeping Agreements	45,000	45,000
<u>Total short-term investments</u>	<u>\$ 179,500</u>	<u>\$ 145,000</u>

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(An Exploration Stage Company)

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### 5. Marketable Securities

	February 28, 2010		February 28, 2009	
	Market Value	Cost	Market Value	Cost
Common shares of a public company, representing less than a 5% interest of the company	\$ 62,500	\$ 278,750	\$ 25,000	\$ 278,750

### 6. Property and Equipment

Details are as follows:

	February 28, 2010			February 28, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 33,079	\$ (20,059)	\$ 13,020	\$ 33,079	\$ (14,479)	\$ 18,600
Computer software	77,181	(77,181)	-	77,181	(77,181)	-
Office furniture and equipment	31,058	(13,779)	17,279	31,058	(9,459)	21,599
Project field equipment	14,629	(4,146)	10,483	7,629	(1,526)	6,103
	<b>\$ 155,947</b>	<b>\$ (115,165)</b>	<b>\$ 40,782</b>	<b>\$ 148,947</b>	<b>\$ (102,645)</b>	<b>\$ 46,302</b>



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**7. Resource Property Costs**

Details of the Company's resource property acquisition costs are as follows:

	<b>Minto/Carmacks Copper-Gold Properties (Yukon)</b>	<b>Engineer (B.C.)</b>	<b>Sickle- Sofia (B.C.)</b>	<b>Voigtberg (B.C.)</b>	<b>Other Properties (B.C.)</b>	<b>Total</b>
Balance, February 29, 2008	\$ 513,834	\$ 352,263	\$ 563,923	\$ 121,944	\$ -	\$ 1,551,964
Acquisition Costs - Cash	37,500	-	15,242	-	383	53,125
Acquisition Costs - Shares and Warrants	20,000	-	-	19,000	-	39,000
Balance, February 28, 2009	571,334	352,263	579,165	140,944	383	1,644,089
Acquisition Costs - Cash	62,500	60,000	-	-	-	122,500
Acquisition Costs - Shares and Warrants	20,000	24,000	-	11,000	-	55,000
<b>Balance, February 28, 2010</b>	<b>\$ 653,834</b>	<b>\$ 436,263</b>	<b>\$ 579,165</b>	<b>\$ 151,944</b>	<b>\$ 383</b>	<b>\$ 1,821,589</b>

Details of the Company's resource property exploration expenditures, which have been cumulatively expensed in the Statement of Loss and Deficit, are as follows:

	<b>Minto/Carmacks Copper-Gold Properties (Yukon)</b>	<b>Engineer (B.C.)</b>	<b>Sickle- Sofia (B.C.)</b>	<b>Voigtberg (B.C.)</b>	<b>Other Properties (B.C.)</b>	<b>Total</b>
Balance, February 29, 2008	\$ 1,547,715	\$ 281,713	\$ 1,279,693	\$ 920,362	\$ 56,130	\$ 4,085,613
Exploration Expenditures / (Recovery)	1,376,972	1,091,578	(280,013)	(82,575)	7,888	2,113,850
Balance, February 28, 2009	2,924,687	1,373,291	999,680	837,787	64,018	6,199,463
Exploration Expenditures / (Recovery)	696,354	83,539	7,828	(44,118)	26,282	769,885
<b>Balance, February 28, 2010</b>	<b>\$ 3,621,041</b>	<b>\$ 1,456,830</b>	<b>\$ 1,007,508</b>	<b>\$ 793,669</b>	<b>\$ 90,300</b>	<b>\$ 6,969,348</b>

**For further detail, please refer to the Schedule of Resource Property Costs following Note 13 to the Financial Statements.**

**a) Minto/Carmacks Copper-Gold Properties, Yukon**

On November 1, 2006, the Company entered into an option agreement with a third party to acquire up to a 100% interest in several mineral properties in the vicinity of the Minto/Carmacks copper-gold belt, by making the following payments, expenditures and Unit issuances:

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**7. Resource Property Costs – Continued**

**a) Minto/Carmacks Copper-Gold Properties, Yukon – Continued**

Payments:

i)	\$	100,000	on or before April 15, 2007 <i>(paid)</i>
ii)		50,000	on or before October 15, 2007 <i>(paid)</i>
iii)		50,000	on or before April 15, 2009 <i>(paid)</i>
iv)		50,000	on or before October 15, 2009 <i>(paid)</i>
v)		50,000	on or before October 15, 2010
	\$	<u>300,000</u>	

Minimum Expenditures:

\$	900,000	on or before October 15, 2010 <i>(incurred)</i>
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Unit issuances:

i)	300,000	within 5 days of the acceptance of the agreement by the TSX Venture Exchange <i>(issued – fair value \$172,273 for the shares, \$37,727 for the warrants - expired)</i>
ii)	200,000	on or before October 15, 2007 <i>(issued - fair value \$116,000 for the shares, \$29,968 for the warrants - expired)</i>
iii)	200,000	on or before October 15, 2008 <i>(issued - fair value \$15,290 for the shares, \$4,710 for the warrants)</i>
iv)	200,000	on or before October 15, 2009 <i>(issued - fair value \$14,387 for the shares, \$5,613 for the warrants)</i>
v)	<u>100,000</u>	on or before October 15, 2010
	<u>1,000,000</u>	

Each "Unit" will consist of one common share of BCGold and one-half of one common share purchase warrant. Each whole share purchase warrant will be exercisable to purchase one common share of BCGold for two years following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of BCGold on the TSX Venture Exchange (or such other stock exchange or quotation system as BCGold's shares may be traded or quoted on) for the twenty consecutive trading days immediately prior to the date of issuance, plus 25% and subject to a floor price of not less than \$0.50. For each scheduled share purchase warrant issuance, half of the warrants will be subject to a 4 month hold period with the other half subject to a 12 month hold period. All of the payment, expenditure and Unit obligations may be accelerated at BCGold's option. The agreement was accepted by the TSX Venture Exchange in March 2007.

A Net Smelter Royalty ("NSR") of 1.75% applies to the holdings of which 1.25% can be purchased for \$1,500,000.

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**7. Resource Property Costs – Continued**

**b) Engineer, BC**

On January 16, 2007, the Company entered into an option agreement, which was subsequently amended in 2007, 2009 and January 12, 2010, to acquire up to a 100% interest in the Engineer Mine Property. The Company can acquire a 49% interest by:

- Paying \$125,000 by January 16, 2008 (*paid*);
- Issuing an aggregate of 250,000 common shares (*issued – fair value of \$147,500*) and 250,000 warrants (*issued – fair value of \$79,763 – expired*);
- Making a rental payment of \$30,000 on January 16, 2010 (*paid*) and thereafter annual rental payments of \$10,000 per year when the mine property is not in production and \$50,000 per year when the mine property is in production. Such rent payments shall cease upon the Company earning a 100% interest in the property or purchasing the surface rights;
- Issuing 1,200,000 common shares of which 400,000 shares will be issued upon approval from the TSX-V (*issued – fair value of \$24,000*) and 400,000 shares will be released every six months thereafter;
- Granting a 30% net proceeds interest from the sale of gold from the Double Decker Vein; and
- Either evaluating and completing an underground de-watering program or evaluating and carrying out a drilling program which will drill test a minimum of 2 targets by no later than December 31, 2010.

Upon earning the 49% interest, the Company can earn a further 51% interest in stages as follows:

- An additional 11% interest by issuing \$150,000 of value in shares and 75,000 warrants by January 16, 2011;
- An additional 15% interest by paying \$200,000 or issuing \$200,000 of value in shares and 100,000 warrants by January 16, 2012; and
- An additional 25% interest by paying \$400,000 or issuing \$400,000 of value in shares and 100,000 warrants by January 16, 2013.

After earning the 49% interest, the Company may purchase the remaining interest in the surface rights at fair value subject to a maximum of \$500,000 on the earlier of January 17, 2017 or the date the Company has ceased mining work, as defined in the agreements.

All payments and issuances may be accelerated at the Company's option.

Each share purchase warrant will be exercisable to purchase one common share of the Company for two years following the date of issuance at a price to be determined by taking the weighted average closing price of the common shares for the twenty consecutive trading days immediately prior to the date of issuance, plus 25%.

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**7. Resource Property Costs – Continued**

**c) Sickle-Sofia, BC**

On September 15, 2006, the Company signed a letter of intent with Stealth Minerals Limited (“Stealth”) to earn up to a 75% interest in three properties from Stealth’s Toodoggone property portfolio in north-central British Columbia. Under the terms of the Option Agreement, Stealth divided its Toodoggone land position into eleven properties. The Agreement enabled the Company to review all exploration data for the eleven properties and select any three properties by March 31, 2007, in exchange for the Company purchasing an aggregate of 2,500,000 common shares (*acquired in 2007 and 2008*) of Stealth at a price of \$0.20 per share on or before March 31, 2007. The fair value of these shares at the date of issuance amounted to \$192,500 (2007 - \$86,250) and was recorded as marketable securities. The premium paid over the fair value was capitalized to resource property costs in the amount of \$157,500 (2007 - \$63,750).

On April 2, 2007 the Company selected three properties on which it wished to continue a First Option (51% interest) on under the terms of the Option Agreement, those properties being, Sickle Sofia, Louis and FogMess. In order to maintain the First Option in good standing on each of the three properties, the Company issued 150,000 BCGold common shares per property (*issued - fair value \$265,500*) and 75,000 BCGold common share purchase warrants per property (*issued - fair value \$76,663*) exercisable at \$0.75 and expiring on April 2, 2009 (*expired*) and incurred \$1,000,000 in exploration expenditures on each of the three properties by March 28, 2011 (*incurred - Sickle Sofia*). BCGold has earned its 51% interest in the Sickle Sofia property and has elected to terminate its Option on the Louis and FogMess properties. Such termination was accepted by Stealth on February 25, 2009. A portion of the Sickle Sofia property is subject to an underlying 3% NSR held by a third party. The Company can reduce the NSR through various cash payments ranging from \$10,000 to \$15,000 per property or lump sum payments ranging from \$350,000 to \$1,000,000.

During March 2009, the Company notified Stealth that it will not proceed with the Second and Third Options to earn a 60% and 75% interest respectively, in the Sickle Sofia property.

**d) Voigtberg, BC**

On July 10, 2006, the Company signed a letter of intent with Kaminak Gold Corp. (“Kaminak”), which was subsequently amended \* on September 11, 2009, to earn a 70% interest in Kaminak’s Voigtberg property located in the Iskut River area, Liard Mining Division, British Columbia.

In order for the Company to earn up to a 60% interest in the Voigtberg property, the Company must, at its option, issue 100,000 units to Kaminak as of the date of closing of the qualifying transaction (*issued – September 15, 2006 – fair value \$27,386 for the shares and \$7,614 for the warrants - expired*). In addition, the Company must, at its option, issue the following:

- 100,000 units on or before September 15, 2007 (*issued – fair value \$70,000 for the shares and \$16,944 for the warrants - expired*);
- 100,000 units on or before September 15, 2008 (*issued – fair value \$14,264 for the shares and \$4,736 for the warrants - expired*); and
- 100,000 units on or before September 15, 2010

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### 7. Resource Property Costs – Continued

#### d) Voigtberg, BC – Continued

Each unit will consist of one common share of BCGold and one-half of one common share purchase warrant with each whole warrant being exercisable to purchase one additional common share of BCGold for one year following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of the Company for the twenty consecutive trading days immediately prior to the date of issuance, plus 25%. The Company must also, at its option, incur minimum exploration expenditures over a five year period as follows:

	<u>Amount</u>	<u>Date</u>	<u>Interest Earned</u>
i)	\$ 350,000	to September 15, 2007 ( <i>incurred</i> )	0%
ii)	350,000	to September 15, 2008 ( <i>incurred</i> )	0%
iii)	300,000	to September 15, 2010 ( <i>incurred - \$218,650</i> )	50%
iv)	350,000	to September 15, 2010	0%
v)	<u>650,000</u>	to September 15, 2011	<u>10%</u>
	<u>\$ 2,000,000</u>		<u>60%</u>

\* As consideration for the amendment to the Voigtberg Option Agreement, BCGold issued 100,000 common shares (fair value - \$11,000) of the Company to Kaminak on September 24, 2009. The amendment to the Voigtberg Option Agreement consisted of deferring the minimum exploration expenditures required to be incurred and the unit issuances by 1 year.

Upon incurring \$1 million in exploration expenditures, the Company will have earned a 50% interest in the Voigtberg property and, upon the issuance of all of the initial and additional units, incurring all of the expenditures and operating the exploration program as set out above, the Company will have earned a 60% interest in the Voigtberg property. The Company may then earn an additional 10% interest in the property by completing a bankable feasibility study, for a total of a 70% interest in the property. A 2% NSR in favour of Hunter Exploration Group exists on the property.

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**8. Share Capital**

**a) Details are as follows:**

	Common Number	Amount
Authorized:		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares		
Issued:		
Balance – February 29, 2008	20,576,590	\$ 7,221,443
Non flow-through private placement – May 2008 (Note 8b)	3,000,000	1,050,000
Flow-through private placement – October 2008 (Note 8b)	5,675,000	1,135,000
Non flow-through private placement – October 2008 (Note 8b)	1,650,000	330,000
Shares issued for resource properties	300,000	39,000
Fair value of share purchase warrants issued	-	(63,173)
Share and share purchase warrant issuance costs	-	(141,775)
Future income taxes on renouncement of flow-through shares (Note 8f)	-	(627,250)
Balance – February 28, 2009	31,201,590	8,943,245
Flow-through private placement – July 2009 (Note 8b)	5,375,000	430,000
Non flow-through private placement – August 2009 (Note 8b)	7,305,000	438,300
Flow-through private placement – August 2009 (Note 8b)	2,462,500	197,000
Finder's units issued – July 2009 (Note 8b)	161,250	12,900
Finder's units issued – August 2009 (Note 8b)	257,250	15,715
Shares issued for resource properties (Notes 7a, 7b and 7d)	700,000	55,000
Fair value of share purchase warrants issued	-	(366,782)
Share and share purchase warrant issuance costs	-	(71,975)
Future income taxes on renouncement of flow-through shares (Note 8f)	-	(156,750)
<b>Balance – February 28, 2010</b>	<b>47,462,590</b>	<b>\$ 9,496,653</b>

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**8. Share Capital - Continued**

**b) Private Placements**

*Private Placement August 2009*

On August 7, 2009, the Company closed a non-brokered private placement of 2,462,500 flow-through units at a price of \$0.08 per unit and 7,305,000 non flow-through units at a price of \$0.06 per unit for aggregate gross proceeds of \$635,300. Each flow-through unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. Each non flow-through unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.12 per share for a period of one year from the date of issuance.

In connection with this private placement the Company issued 14,000 finder's units at a price of \$0.08 per unit and 243,250 finder's units at a price of \$0.06 per unit. The Company has recorded the fair value of these finder's units as share issuance costs.

The 14,000 finder's units comprise of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. The 243,250 finder's units comprise of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.12 per share for a period of one year from the date of issuance.

The warrants attached to these issuances have been valued at \$226,899 (\$242,595 net of warrant issuance costs of \$15,696) based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below.

**Assumptions**

Risk-free interest rate	1.33%
Expected stock price volatility	256%
Expected dividend yield	0.00%
Expected life of warrants	1 year

Additional finder's fees of \$10,255 were also paid in cash.

*Private Placement July 2009*

On July 27, 2009, the Company closed a non-brokered private placement of 5,375,000 flow-through units at a price of \$0.08 per unit for gross proceeds of \$430,000. Each unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance. In connection with this private placement, the Company issued 161,250 finder's units at a price of \$0.08 per unit. The Company has recorded the fair value of these finder's units as share issuance costs.

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**8. Share Capital - Continued**

**b) Private Placements - Continued**

*Private Placement July 2009 – Continued*

Each finder's unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.15 per share for a period of one year from the date of issuance.

The warrants attached to these issuances have been valued at \$97,985 (\$118,574 net of warrant issuance costs of \$20,589) based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below.

**Assumptions**

Risk-free interest rate	1.33%
Expected stock price volatility	255%
Expected dividend yield	0.00%
Expected life of warrants	1 year

Additional finder's fees of \$21,500 were also paid in cash.

*Private Placement October 2008*

On October 3, 2008, the Company closed a non-brokered private placement of 5,675,000 flow-through common shares at a price of \$0.20 per flow-through share and 1,650,000 non flow-through units at a price of \$0.20 per non flow-through unit for aggregate gross proceeds of \$1,465,000. Each non flow-through unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at \$0.30 per share in the first year and \$0.50 per share in the second year. The warrants attached have been valued at \$53,727 (\$54,025 net of share issuance costs of \$298) based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below. Finder's fees of \$70,700 were paid in cash.

**Assumptions**

Risk-free interest rate	2.79%
Expected stock price volatility	177%
Expected dividend yield	0.00%
Expected life of warrants	2 years

*Private Placement May 2008*

On May 2, 2008, the Company closed a non-brokered private placement of 3,000,000 common shares at a price of \$0.35 per share for aggregate gross proceeds of \$1,050,000. A finder's fee of \$63,000 was paid in cash. This was an initial investment by Kinross Gold Corporation ("Kinross") under an agreement signed May 2, 2008 whereby Kinross will have the right to participate in future financings of the Company to maintain its equity interest in the Company at up to 10%, subject to maintaining a minimum 5% equity interest in the Company.



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**8. Share Capital - Continued**

**c) Share Purchase and Agents Warrants**

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
February 29, 2008	5,115,422	\$0.90
Issued	975,000	\$0.32
Expired without exercise	(200,000)	\$0.71
February 28, 2009	5,890,422	\$0.81
Issued	7,880,500	\$0.14
Expired without exercise*	(4,965,422)	\$0.90
<b>Balance February 28, 2010</b>	<b>8,805,500</b>	<b>\$0.16</b>

\* During the period, 4,965,422 warrants (fair value \$895,800) expired without exercise.

At February 28, 2010, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
October 3, 2010 (Note 8b)	\$0.50	825,000	53,727
October 15, 2010 (Note 7a)	\$0.50	100,000	4,710
July 27, 2010 (Note 8b)	\$0.15	2,768,125	97,985
August 7, 2010 (Note 8b)	\$0.15	1,238,250	63,743
August 7, 2010 (Note 8b)	\$0.12	3,774,125	163,156
October 15, 2011 (Note 7a)	\$0.50	100,000	5,613
<b>Weighted Average</b>	<b>\$0.16</b>	<b>8,805,500</b>	<b>\$ 388,934</b>

**d) Stock Options**

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. No options shall be granted, without regulatory approval, entitling any single individual to purchase in excess of 5% of the then outstanding shares in the Company in any 12 month period and no more than 2% of the optioned shares may be issued to any one individual in any 12 month period. If the option rights granted under the plan shall expire or terminate for any reason without having been exercised, such optioned shares may be made available for other options to be granted under the plan. The shares so reserved by the Board under the Plan shall be authorized but unissued shares.

The options are non-transferable and will expire, if not exercised, immediately upon dismissal by the Company with cause or 90 days following the date the optionee otherwise ceases to be a director, officer, manager, consultant or employee of the corporation for reasons other than death. In the case of death, the expiry becomes one year after the death of an optionee. Pursuant to the policies of the TSX Venture Exchange ("TSXV"), options granted pursuant to the Plan in excess of 10% of the issued and outstanding common shares at the time of the grant must be subject to vesting.

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**8. Share Capital – Continued**

**d) Stock Options - Continued**

The associated stock-based compensation expense for options granted during the current and prior periods are as follows:

Grant Date	# of Options Granted	Total Expense	Amount of expense recognized or recognizable			
			Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Jun. 5, 2006	520,000	\$ 39,675	\$ 39,675	\$ -	\$ -	\$ -
Sep.15, 2006	300,000	102,854	102,854	-	-	-
Jun. 19, 2007	100,000	31,274	-	31,274	-	-
Aug. 22, 2007	812,000	253,941	-	189,143	64,798	-
Oct. 24, 2008	875,000	45,115	-	-	45,115	-
January 11, 2010	1,745,000	116,576	-	-	-	-
<b>TOTAL</b>	<b>4,352,000</b>	<b>\$ 589,435</b>	<b>\$ 142,529</b>	<b>\$ 220,417</b>	<b>\$ 109,913</b>	<b>\$ -</b>
<b>Weighted average fair value of options granted during the year</b>			<b>\$ 0.17</b>	<b>\$ 0.31</b>	<b>\$ 0.05</b>	<b>\$ -</b>

**Fiscal year ended February 28, 2010 - Grants**

On January 11, 2010, the Company granted 1,745,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at \$0.10 per share and expire on January 11, 2015. These options are subject to vesting criteria such that 25% shall vest every three months from the date of grant. The corresponding stock-based compensation amounted to \$116,576, which was estimated using the Black Scholes Option Pricing Model with the following assumptions:

<b>Assumptions</b>	
Risk-free interest rate	2.73%
Expected stock price volatility	183%
Expected dividend yield	0.00%
Expected life of options	5 years

**Fiscal year ended February 28, 2009 - Grants**

On October 24, 2008, the Company granted 875,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at \$0.20 per share and expire on October 24, 2013. The corresponding stock-based compensation amounted to \$45,115, which was estimated using the Black Scholes Option Pricing Model with the following assumptions:

<b>Assumptions</b>	
Risk-free interest rate	2.73%
Expected stock price volatility	187%
Expected dividend yield	0.00%
Expected life of options	5 years

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**8. Share Capital - Continued**

**d) Stock Options - Continued**

At February 28, 2010, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
June 5, 2011	\$0.10	310,000	1.27
September 15, 2011	\$0.45	190,000	1.55
June 19, 2012	\$0.70	100,000	2.31
August 22, 2012	\$0.70	556,000	2.48
October 24, 2013	\$0.20	825,000	3.65
January 11, 2015	\$0.10	1,745,000	4.87
	<b>\$0.25</b>	<b>3,726,000</b>	<b>3.71</b>

**e) Broker's Options**

In connection with the private placement (*Note 8b*) which was completed on July 27, 2009, the Company issued 430,000 broker's options (fair value - \$27,528) and has recorded the fair value of these options as share issuance costs. Each broker's option consists of one non flow-through common share exercisable at a price of \$0.08 per share and one-half of one non-flow through common share purchase warrant, each whole warrant being exercisable into one non flow-through common share at a price of \$0.15 per share. The broker's options are exercisable for a period of one year from the date of issuance. The broker's options have been valued based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below.

<b>Assumptions</b>	
Risk-free interest rate	1.33%
Expected stock price volatility	255%
Expected dividend yield	0.00%
Expected life of options	1 year

**f) Flow-Through Shares**

**Fiscal Year Ended February 28, 2010**

During the year ended February 28, 2010, the Company issued 7,837,500 flow-through common shares for total proceeds of \$627,000. These funds must be used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2009. The future income tax liability is estimated to be \$156,750 resulting from the renunciation of these qualifying expenditures and has been recorded in the 2010 fiscal year as the renunciation tax forms were filed on February 5, 2010. As the Company had previously unrecognized tax assets available, the future income tax liability as at February 28, 2010 has been eliminated (*Note 12b*) resulting in a full recovery of \$156,750 (*Note 12a*). The unspent balance of this flow-through issuance as at February 28, 2010 was \$31,128 which must be spent by December 31, 2010.

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**8. Share Capital - Continued**

**f) Flow-Through Shares – Continued**

**Fiscal Year Ended February 28, 2009**

During the year ended February 28, 2009, the Company issued 5,675,000 flow-through common shares for total proceeds of \$1,135,000. These funds must be used for qualifying exploration expenditures and were renounced to the flow-through shareholders effective December 31, 2008 upon the filing of the renunciation tax forms. The future income tax liability was estimated to be \$295,100 resulting from the renunciation of these qualifying expenditures and was recorded in the 2009 fiscal year as the renunciation tax forms were filed on February 23, 2009. As the Company had previously unrecognized tax assets available, the future income tax liability as at February 28, 2009 was eliminated (*Note 12b*) resulting in a full recovery of \$295,100. Interest payable of \$2,464 in relation to this flow-through share issuance was paid on February 9, 2010. This interest payable relates to Part XII.6 tax on the balance of exploration expenditures not yet incurred for the period March 1, 2009 to July 31, 2009. The unspent balance of this flow-through issuance at February 28, 2010 was \$Nil.

**g) Escrow Shares**

As at February 28, 2010, there are no shares held in escrow.

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**9. Contributed Surplus**

Contributed surplus relates to the recognition of the estimated fair value of stock options vested, the fair value of broker's options issued and expired warrants as follows:

Balance – February 29, 2008	\$	566,392
Fair value of stock-based compensation on options vested		109,913
Fair value of share purchase warrants expired – September 14, 2008		16,944
Fair value of share purchase warrants expired – February 22, 2009		37,727
<hr/>		
Balance – February 28, 2009	\$	730,976
Fair value of share purchase warrants expired – March 14, 2009		564,413
Fair value of share purchase warrants expired – April 2, 2009		76,663
Fair value of share purchase warrants expired – September 15, 2009		4,736
Fair value of share purchase warrants expired – October 15, 2009		29,968
Fair value of share purchase warrants expired – November 1, 2009		79,763
Fair value of share purchase warrants expired – December 28, 2009		140,258
Fair value of broker's options issued		27,528
<hr/>		
<b>Balance – February 28, 2010</b>	<b>\$</b>	<b>1,654,305</b>

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**BCGold Corp.**  
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**10. Capital Management**

In the management of capital, the Company considers shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended February 28, 2010 compared to the year ended February 28, 2009. The Company is not subject to externally imposed capital requirements.

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**11. Financial Instruments**

**Fair Value**

The Company designated its cash and cash equivalents and short-term investments as held-for-trading, which are measured at fair value. GST and other receivables have been designated as loans and receivables, which are initially recorded at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Marketable securities have been designated as available-for-sale, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of February 28, 2010, the Balance Sheet carrying amounts of these financial instruments closely approximate their fair value, and the Company held no derivative instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

The following provides a comparison of carrying and fair value amounts of each classification of financial instruments as at February 28, 2010:

	<b>February 28, 2010</b>		February 29, 2009	
Held-for-trading	\$	<b>384,435</b>	\$	717,013
Loans and receivables	\$	<b>32,996</b>	\$	157,245
Available-for-sale	\$	<b>62,500</b>	\$	25,000
Other financial liabilities	\$	<b>165,934</b>	\$	155,291

During the fiscal year ended February 28, 2010, the Company adopted the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value. The financial instruments from the above schedule, which are covered by the new hierarchy disclosures, are cash and cash equivalents and short-term investments. These are both classified as Level 1 – Quoted prices in active markets.

**Financial Risk Management**

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits its cash and cash equivalents with high credit quality major Canadian financial institutions as determined by ratings agencies, with original maturities of less than 90 days. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

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**11. Financial Instruments – Continued**

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash and cash equivalent balances. The Company monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

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**12. Income Taxes**

- a) The income tax provision for the year differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates as follows:

	<b>For the Year Ended February 28, 2010</b>	<i>(Restated – Note 3b)</i> <b>For the Year Ended February 28, 2009</b>
Loss before income taxes	\$ (1,379,561)	\$ (2,987,211)
Statutory Canadian federal and provincial tax rates	<b>28.50%</b>	30.00%
Expected tax recovery	<b>(393,175)</b>	(896,163)
Adjustments:		
Stock-based compensation	-	32,974
Other	<b>105,585</b>	117,919
Statutory tax rate difference	<b>(30,129)</b>	(21,458)
Change in valuation allowance	<b>160,969</b>	139,478
Income tax recovery	<b>\$ (156,750)</b>	\$ (627,250)

**BCGold Corp.**  
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**Notes to the Financial Statements**  
 For the years ended February 28, 2010 and 2009  
 (Stated in Canadian Funds)

**12. Income Taxes – Continued**

b) The components of the future income tax asset (liability) balances are as follows:

	February 28, 2010	(Restated – Note 3b) February 28, 2009
Future income tax asset (liability):		
Non-capital loss carry-forwards	\$ 718,183	\$ 576,431
Share issuance costs	69,706	72,712
Other	28,791	26,688
Resource property costs - (tax basis in excess of book value)	754,428	734,308
Valuation allowance	(1,571,108)	( 1,410,139)
Future income tax asset (liability)	\$ -	\$ -

The effective income tax rate is the rate that is estimated to be applicable when timing differences reverse. As at February 28, 2010 the future enacted rate is estimated to be 25% (2009 – 25%).

c) The Company has non-capital losses which may be applied to reduce future year's taxable income. As at February 28, 2010, these non-capital losses amounted to \$2,872,732 (February 28, 2009 – \$2,217,042). Of these non-capital losses, \$14,160 will expire in 2026, \$434,349 will expire in 2027, \$1,020,132 will expire in 2028, \$748,401 will expire in 2029 and the remaining \$655,690 will expire in 2030.

**13. Subsequent Events**

a) Subsequent to the year end, the Company entered into an Option Agreement with Bling Capital Corp. whereby the Company granted Bling the option to acquire up to a 60% interest in the Toe Property ("Property") which is one of several mineral properties the Company holds in the vicinity of the Minto/Carmacks copper-gold belt. Bling can earn its 60% interest by making \$250,000 in cash payments, incurring \$2,000,000 in exploration expenditures and issuing 400,000 shares of Bling to BCGold Corp. over a four year period. Bling can earn an additional 10% interest in the Property by completing a feasibility study during the following three years, thereby increasing Bling's total interest to 70%.

As part of the Option Agreement, Bling is required to conduct a \$350,000 work program, which is to include up to 1,000 metres of diamond drilling on the Property in 2010. BCGold Corp. will be the operator for this drill program and receive a 10% operator's fee.

b) Subsequent to the year end, the Company completed a non-brokered private placement and has issued 10,160,000 non flow-through units ("NFT Units") at a price of \$0.08 per NFT Unit and 4,006,200 flow-through units ("FT Units") at a price of \$0.10 per FT Unit, for gross proceeds \$1,213,420.

Each NFT Unit consists of one common share and one-half of one common share purchase warrant; each whole warrant exercisable to purchase one additional NFT common share for a period of 18 months from the date of issuance at a price of \$0.15.



# **BCGold Corp.**

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## **Notes to the Financial Statements**

**For the years ended February 28, 2010 and 2009**

*(Stated in Canadian Funds)*

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### **13. Subsequent Events – Continued**

Each FT Unit comprises of one flow-through common share and one-half of one common share purchase warrant; each whole warrant exercisable to purchase one additional NFT common share for a period of 18 months from the date of issuance at a price of \$0.20.

The securities are subject to a 4 month hold period and may not be traded until August 31, 2010 except as permitted by the Canadian securities legislation and TSX Venture Exchange. Finder's fees totalling \$49,930 in cash and 560,000 in broker's warrants options were paid by the Company.

- c) Subsequent to the year end, the Company entered into a letter of intent with Goldbard Capital Corp. ("Goldbard") whereby, subject to regulatory approval, Goldbard can earn up to a 70% interest in BCGold Corp.'s Pepper Property ("Property"), which is one of several mineral properties the Company holds in the vicinity of the Minto/Carmacks copper-gold belt.

Goldbard can acquire up to a 60% interest in the Property by making \$250,000 in cash payments, incurring \$2,000,000 in exploration expenditures and issuing 400,000 shares of Goldbard to BCGold Corp. over a four year period. Goldbard may then earn an additional 10% interest in the Property by completing a bankable feasibility study, for a total interest of 70%.

In addition to regulatory approval, the Goldbard option is subject to BCGold Corp. and Goldbard entering into a definitive option and joint venture agreement.

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**BCGold Corp.**  
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**Schedule of Resource Property Costs**

Schedule

(Stated in Canadian Funds)

(Restated – Note 3b)  
For the year ended  
February 28, 2009

	For the year ended February 28, 2010			For the year ended February 28, 2009		
	Acquisition Costs	Exploration Expenses	Total	Acquisition Costs	Exploration Expenses	Total
<b>Mineral Interests</b>						
<b>Minto/Carmacks, Copper-Gold Properties, Yukon</b>						
Acquisition costs - cash	\$ 62,500	\$ -	\$ 62,500	\$ 37,500	\$ -	\$ 37,500
Acquisition costs – shares and warrants	20,000	-	20,000	20,000	-	20,000
Claims and staking	-	(2,682)	(2,682)	-	6,950	6,950
Analytical and sampling	-	20,090	20,090	-	130,837	130,837
Fieldwork	-	391,093	391,093	-	726,293	726,293
Drilling	-	-	-	-	208,312	208,312
Geological consulting	-	374,853	374,853	-	304,580	304,580
Government assistance	-	(87,000)	(87,000)	-	-	-
	82,500	696,354	778,854	57,500	1,376,972	1,434,472
<b>Engineer Mine, British Columbia</b>						
Acquisition costs - cash	60,000	-	60,000	-	-	-
Acquisition costs – shares and warrants	24,000	-	24,000	-	-	-
Claims and staking	-	-	-	-	1,785	1,785
Analytical and sampling	-	-	-	-	68,404	68,404
Fieldwork	-	27,542	27,542	-	475,978	475,978
Drilling	-	-	-	-	281,899	281,899
Geological consulting	-	55,998	55,998	-	291,830	291,830
Government assistance	-	-	-	-	(28,318)	(28,318)
	84,000	83,540	167,540	-	1,091,578	1,091,578
<b>Sickle-Sofia, British Columbia</b>						
Acquisition costs - cash	-	-	-	15,242	-	15,242
Claims and staking	-	2,780	2,780	-	18,665	18,665
Analytical and sampling	-	-	-	-	1,140	1,140
Fieldwork	-	-	-	-	3,429	3,429
Geological consulting	-	5,047	5,047	-	26,483	26,483
Government assistance	-	-	-	-	(329,730)	(329,730)
	-	7,827	7,827	15,242	(280,013)	(264,771)
<b>Voigtberg, British Columbia</b>						
Acquisition costs – shares and warrants	11,000	-	11,000	19,000	-	19,000
Analytical and sampling	-	-	-	-	446	446
Geological consulting	-	2,034	2,034	-	833	833
Government assistance	-	(46,152)	(46,152)	-	(83,854)	(83,854)
	11,000	(44,118)	(33,118)	19,000	(82,575)	(63,575)
<b>Other Properties, British Columbia</b>						
Acquisition costs - cash	-	-	-	383	-	383
Claims and staking	-	2,353	2,353	-	7,038	7,038
Analytical and sampling	-	1,283	1,283	-	-	-
Fieldwork	-	4,450	4,450	-	-	-
Geological and consulting	-	18,196	18,196	-	850	850
	-	26,282	26,282	383	7,888	8,271
<b>Resource Costs for the Year</b>	177,500	769,885	947,385	92,125	2,113,850	2,205,975
Cumulative costs, Beginning of the Year	1,644,089	6,199,463	7,843,552	1,551,964	4,085,613	5,637,577
<b>Balance, End of the Year</b>	\$ 1,821,589	\$ 6,969,348	\$ 8,790,937	\$ 1,644,089	\$ 6,199,463	\$ 7,843,552