BCGOLD CORP.

(An Exploration Stage Company)

Condensed Interim Financial Statements

For the three months ended May 31, 2011

Unaudited – Prepared by Management

(Stated in Canadian Funds)

BCGold Corp.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

Unaudited – Prepared by Management

(Stated in Canadian Funds)

ASSETS		As at May 31, 2011		*(Note 4)* As at February 28, 2011		*(Note 4)* As at March 1, 2010
Current assets:						
Cash and cash equivalents *(Note 10f)*	**$**	**1,282,247**	$	1,419,320	$	204,935
Short-term investments *(Note 5)*		**34,500**		234,500		134,500
Marketable securities *(Note 6)*		**113,500**		115,000		62,500
Sales tax and other receivables		**52,644**		48,462		32,996
Prepaid expenses		**74,648**		14,163		11,075
		1,557,539		1,831,445		446,006
Non-current assets:						
Deposits		**11,247**		20,818		-
Property and equipment *(Note 7)*		**45,963**		31,324		40,782
Reclamation bonds *(Note 8)*		**50,500**		50,500		45,000
Mineral interests *(Note 9)*		**1,439,924**		1,439,924		1,821,589
TOTAL ASSETS	**$**	**3,105,173**	$	3,374,011	$	2,353,377

LIABILITIES AND EQUITY						
Current liabilities:						
Accounts payable and accrued liabilities	**$**	**98,111**	$	93,069	$	165,934
Equity:						
Share capital *(Note 10a)*		**12,043,029**		12,043,029		9,788,447
Share-based payments reserve		**3,331,395**		3,243,346		2,076,857
Accumulated other comprehensive loss		**(169,750)**		(168,250)		(216,250)
Deficit		**(12,197,612)**		(11,837,183)		(9,461,611)
		3,007,062		3,280,942		2,187,443
TOTAL LIABILITIES AND EQUITY	**$**	**3,105,173**	$	3,374,011	$	2,353,377

Nature of Operations and Going Concern *(Note 1)*

Approved by the Board of Directors:

*"Brian Fowler"*________________, Director

*"Guy Le Bel"*__________________, Director

- See Accompanying Notes to the Condensed Interim Financial Statements -

BCGold Corp.

(An Exploration Stage Company)

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

(Stated in Canadian Funds)

		For the three months ended May 31, 2011		*(Note 4)* For the three months ended May 31, 2010
Expenses:				
Corporate listing and filing fees	**$**	**2,097**	$	3,141
Depreciation		**4,846**		2,365
Exploration and evaluation expenses		**64,511**		15,020
General and administrative costs		**61,362**		48,596
Professional fees		**3,741**		15,500
Share-based payments *(Note 10d)*		**88,049**		41,728
Wages and consulting fees		**136,108**		107,968
Loss from operations		**(360,714)**		(234,318)
Other income:				
Interest and other income		**285**		98
Net loss for the period		**(360,429)**		(234,220)
Unrealized loss on marketable securities		**(1,500)**		-
Comprehensive loss for the period	**$**	**(361,929)**	$	(234,220)
Weighted average number of shares outstanding		**82,599,803**		52,691,529
Basic and diluted loss per share	**$**	**(0.00)**	$	(0.00)

- See Accompanying Notes to the Condensed Interim Financial Statements -

BCGold Corp.

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

Unaudited – Prepared by Management

(Stated in Canadian Funds)

		For the three months ended May 31, 2011		For the three months ended May 31, 2010
Operating Activities				
Net loss for the period	**$**	**(360,429)**	$	(234,220)
Adjustment for items which do not involve cash:				
Share-based payments		**88,049**		41,728
Depreciation		**4,846**		2,365
		(267,534)		(190,127)
Changes in non-cash working capital components:				
Sales tax and other receivables		**(4,182)**		(1,213)
Prepaid expenses		**(60,485)**		(15,353)
Accounts payable and accrued liabilities		**5,042**		(9,938)
Cash used in operating activities		**(327,159)**		(216,631)
Investing Activities				
Deposits		**9,571**		-
Short-term investments		**200,000**		50,000
Purchase of property and equipment		**(19,485)**		-
Mineral interests		**-**		45,000
Cash provided by investing activities		**190,086**		95,000
Financing Activities				
Issuance of common shares and warrants, net		**-**		1,164,999
Cash provided by financing activities		**-**		1,164,999
Net increase (decrease) in cash and cash equivalents		**(137,073)**		1,043,368
Cash and cash equivalents- beginning of the period		**1,419,320**		204,935
Cash and cash equivalents - end of the period	**$**	**1,282,247**	$	1,248,303

Cash and cash equivalents consists of the following:				
Cash	**$**	**1,082,247**	$	1,248,303
Guaranteed investment certificates		**200,000**		-
Total cash and cash equivalents	**$**	**1,282,247**	$	1,248,303

Supplemental Schedule of Non-Cash Investing Activities				
Fair value of shares received – property option payment / marketable securities	**$**	**-**	$	15,000

- See Accompanying Notes to the Condensed Interim Financial Statements -

BCGold Corp.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Equity

Unaudited – Prepared by Management

(Stated in Canadian Funds)

	SHARE CAPITAL				SHARE-BASED PAYMENTS		ACCUMULATED OTHER COMPREHENSIVE				TOTAL
	SHARES		AMOUNT		RESERVE		LOSS		DEFICIT		EQUITY
Balance – March 1, 2010	47,462,590	$	9,788,447	$	2,076,857	$	(216,250)	$	(9,461,611)	$	2,187,443
Flow-through shares issued	4,006,200		400,620		-		-		-		400,620
Non flow-through shares issued	10,160,000		812,800		-		-		-		812,800
Exercise of warrants	87,689		10,523		-		-		-		10,523
Fair value of warrants exercised	-		3,779		(3,779)		-		-		-
Fair value of warrants issued	-		(485,873)		485,873		-		-		-
Fair value of broker's warrants	-		(64,411)		64,411		-		-		-
Share and warrant issuance costs	-		(35,266)		(23,679)		-		-		(58,945)
Share-based payments	-		-		41,728		-		-		41,728
Net loss for the three months	-		-		-		-		(234,220)		(234,220)
Balance – May 31, 2010	61,716,479		10,430,619		2,641,411		(216,250)		(9,695,831)		3,159,949
Flow-through shares issued	11,535,999		1,247,620		-		-		-		1,247,620
Non flow-through shares issued	6,500,000		650,000		-		-		-		650,000
Shares issued for mineral interests	2,400,000		292,000		-		-		-		292,000
Exercise of warrants	17,325		2,079		-		-		-		2,079
Fair value of warrants exercised	-		749		(749)		-		-		-
Broker's options exercised	430,000		34,400		-		-		-		34,400
Fair value of broker's options exercised	-		27,528		(27,528)		-		-		-
Fair value of warrants issued	-		(554,553)		554,553		-		-		-
Share and warrant issuance costs	-		(87,413)		(26,385)		-		-		(113,798)
Share-based payments	-		-		102,044		-		-		102,044
Unrealized gain on marketable securities	-		-		-		48,000		-		48,000
Net loss for the nine months	-		-		-		-		(2,141,352)		(2,141,352)
Balance – February 28, 2011	82,599,803		12,043,029		3,243,346		(168,250)		(11,837,183)		3,280,942
Share-based payments	-		-		88,049		-		-		88,049
Unrealized loss on marketable securities	-		-		-		(1,500)		-		(1,500)
Net loss for the three months	-		-		-		-		(360,429)		(360,429)
Balance – May 31, 2011	**82,599,803**	**$**	**12,043,029**	**$**	**3,331,395**	**$**	**(169,750)**	**$**	**(12,197,612)**	**$**	**3,007,062**

- See Accompanying Notes to the Condensed Interim Financial Statements -

1. Nature of Operations and Going Concern

BCGold Corp. (the "Company" or "BCGold") is an exploration stage enterprise focusing on the acquisition, exploration and development of economic gold and other precious and base metal properties. Currently, the Company's principal mineral properties are the Engineer Mine Property, located near Atlin, B.C. and the Minto/Carmacks Copper-Gold Properties located in the Yukon.

BCGold Corp. is a publicly listed company incorporated under the Business Corporations Act of British Columbia on February 10, 2006 as 0748496 B.C. Ltd. On March 1, 2006, the Company changed its name to BCGold Corp. The Company is listed on the TSX Venture Exchange ("TSX.V") under the symbol "BCG".

The head office, principal address and records office of the Company are located at Suite 520 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company's registered address is 595 Howe Street, 10th Floor, Vancouver, British Columbia, Canada, V6C 2T5.

While these condensed interim 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 $12,197,612 at May 31, 2011. 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 the Company's performance, 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 condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Summary of Significant Accounting Policies

a) Basis of Presentation and Adoption of International Financial Reporting Standards ("IFRS")

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these condensed interim financial statements. In these condensed interim financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in Note 4, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at March 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended February 28, 2011.

2. Summary of Significant Accounting Policies *– Continued*

a) Basis of Presentation and Adoption of International Financial Reporting Standards ("IFRS") *– Continued*

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of August 29, 2011, the date the Board of Directors approved these statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 29, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended February 28, 2011 and Note 4 of these condensed interim financial statements which explains the Company's transitional impact from Canadian GAAP to IFRS.

b) Use of Judgements and Estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of estimates and assumptions relate to the review of carrying values and determination of impairment charges of non-current assets; valuation of share-based payments; recoverability of deferred income tax assets; and determination of carrying values of derivative financial liabilities among others. Actual results could differ from those estimates. The effect on the financial statements of such changes in estimates in future periods could be material.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

d) Short-term Investments

The Company classifies all its investments with maturities greater than three months to one year as short-term investments.

e) Mineral Interests

Exploration and evaluation expenses are 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 and will be depreciated against production following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

Title to mineral 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 history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge titles to all of its properties are in good standing.

2. Summary of Significant Accounting Policies – *Continued*

f) 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 equity 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.

g) Marketable Securities

Marketable securities consisting of common shares of public companies 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).

h) Property and Equipment

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

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

i) Impairment of Non-Current Assets

Non-current assets are evaluated at each reporting period by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in income to the extent that the carrying amount exceeds the recoverable amount.

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

2. Summary of Significant Accounting Policies – *Continued*

i) Impairment of Non-Current Assets – *Continued*

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral interests. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

j) Income Taxes

The Company uses the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Share-based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve previously recorded is transferred to share capital. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

l) Share Capital

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value using the residual method.

2. Summary of Significant Accounting Policies – *Continued*

m) 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 period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of loss and comprehensive loss assumes that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

n) Flow-Through Shares

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provision of the Canadian *Income Tax Act*. Proceeds from the issuance of flow-through shares are used to fund qualified exploration and evaluation expenditures and the related income tax deductions are renounced to the subscribers of the flow-through shares. The premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to other liabilities and recognized in income at the time qualifying expenditures are incurred. The Company recognizes a deferred tax liability with a corresponding charge in the statement of loss and comprehensive loss when the qualifying exploration and evaluation expenditures are renounced.

o) 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.

p) Financial Instruments

(i) Financial Assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Short-term investments are included in this category of financial assets.

Available-for-Sale Financial Assets

Available-for-sale (“AFS”) financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income (loss) and classified as a component of equity. When the assets are sold or an impairment write-down is required, the accumulated fair value adjustments recognized in equity are included in the statement of loss. AFS assets include marketable securities which consist of investments in equities of other entities.

2. Summary of Significant Accounting Policies – *Continued*

p) Financial Instruments – *Continued*

(i) Financial Assets – *Continued*

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Cash and cash equivalents and other receivables have been classified under this category.

(ii) Financial Liabilities

The Company classifies its financial liabilities in the following categories: borrowings and other financial liabilities and derivative financial liabilities.

Borrowings and Other Financial Liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transactions costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of loss over the period to maturity using the effective interest method. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities have been classified under this category.

Derivative Financial Liabilities

Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss. There are no financial liabilities classified under this category.

q) Restoration Provision

The Company records a liability based on the best estimate of costs for restoration activities that the Company is legally or constructively required to remediate and recognizes the liability when those obligations result from the acquisition, construction, development or normal operations of assets. Restoration provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for the passage of time and adjusted for changes to the current market-based risk-free discount rate, and the amount of or timing of the underlying cash flows needed to settle the obligation. The associated restoration costs are capitalized as part of the carrying amount of the related property, plant and equipment and amortized on a systematic basis over the expected useful life of the asset.

r) Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current period’s presentation.

3. New IFRS Pronouncements

a) Financial Instruments

In November 2009, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments, which addresses the classification and measurement of financial assets as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. Requirements for financial liabilities were added in October 2010. IFRS 9 must be applied starting January 1, 2013, with early adoption permitted. The Company has not early adopted IFRS 9 and is currently assessing the impact of this standard on its financial statements.

b) Fair Value Measurement

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement so assumptions that market participants would use should be applied in measuring fair value.

IFRS 13 is effective for annual periods on or after January 1, 2013, with earlier application permitted. This IFRS is to be applied prospectively as of the beginning of the annual period in which it is initially applied and the disclosure requirements do not need to be applied in comparative periods before initial application. The Company has not early adopted IFRS 13 and is currently assessing the impact of this standard on its financial statements.

4. First-time Adoption of IFRS

The effect of the Company's transition to IFRS, described in Note 2(a), is summarized in this Note as follows:

a) Transition Elections

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening statement of financial position on the Company's transition date of March 1, 2010, and allows certain exemptions on transition to IFRS. The elections the Company has chosen to apply and that are considered significant are as follows:

(i) *Share-based Payments* – IFRS 1 provides the option to not apply IFRS 2, Share-based Payments, to equity instruments granted after November 7, 2002 and vested before the Transition Date. The Company has elected to take the exemption and, as a result, was only required to recalculate the impact on any share-based payments that had not vested as at the Transition Date.

(ii) *Deemed Cost of Property, Plant and Equipment* – IFRS 1 provides the option to measure property, plant and equipment at deemed cost being the carrying value of the property, plant and equipment at the date of previously recorded impairments or at fair value. The Company has elected to use the carrying value of its property and equipment as its deemed cost.

4. First-time Adoption of IFRS – *Continued*

b) Reconciliation of Previously Reported Financial Statements

Reconciliations of the IFRS adjustments on transition are included in these following Statements of Financial Position and Statements of Loss and Comprehensive Loss for the dates noted below.

- Transitional Statement of Financial Position Reconciliation – March 1, 2010

- Condensed Interim Statement of Financial Position Reconciliation – May 31, 2010

- Condensed Interim Statement of Loss and Comprehensive Loss Reconciliation – Three Months Ended May 31, 2010

- Statement of Financial Position Reconciliation – February 28, 2011

- Statement of Loss and Comprehensive Loss Reconciliation – Year Ended February 28, 2011

The adoption of IFRS had no impact on the net cash flows of the Company. The transition adjustments made to the Statements of Financial Position and Statements of Loss and Comprehensive Loss have resulted in reclassification of various amounts on the Statement of Cash Flows; however, as there have been no changes to the net cash flows, no reconciliations have been prepared.

(Stated in Canadian Funds)

4. First-time Adoption of IFRS *– Continued*

b) Reconciliation of Previously Reported Financial Statements *– Continued*

The March 1, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

	Note	March 1, 2010 Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 204,935	$ -	$ 204,935
Short-term investments		134,500	-	134,500
Marketable securities		62,500	-	62,500
Sales tax and other receivables		32,996	-	32,996
Prepaid expenses		11,075	-	11,075
		446,006	-	446,006
Non-current assets:				
Deposits		-	-	-
Property and equipment		40,782	-	40,782
Reclamation bonds		45,000	-	45,000
Resource property costs / Mineral interests		1,821,589	-	1,821,589
TOTAL ASSETS		$ 2,353,377	$ -	$ 2,353,377
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 165,934	$ -	$ 165,934
Equity:				
Share capital	4(b)(i)	9,496,653	291,794	9,788,447
Share-based payments reserve *	4(b)(ii)	2,043,239	33,618	2,076,857
Accumulated other comprehensive loss		(216,250)	-	(216,250)
Deficit	4(b)(i) - (ii)	(9,136,199)	(325,412)	(9,461,611)
		2,187,443	-	2,187,443
TOTAL LIABILITIES AND EQUITY		$ 2,353,377	$ -	$ 2,353,377

** Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $1,654,305 and share purchase warrants of $388,934.*

(Stated in Canadian Funds)

4. First-time Adoption of IFRS *– Continued*

b) Reconciliation of Previously Reported Financial Statements *– Continued*

The May 31, 2010 Canadian GAAP Condensed Interim Statement of Financial Position has been reconciled to IFRS as follows:

		May 31, 2010		
	Note	**Canadian GAAP**	**Effect of Transition to IFRS**	**IFRS**
ASSETS				
Current assets:				
Cash and cash equivalents		$ 1,248,303	$ -	$ 1,248,303
Short-term investments		84,500	-	84,500
Marketable securities		77,500	-	77,500
Sales tax and other receivables		34,209	-	34,209
Prepaid expenses		26,428	-	26,428
		1,470,940	-	1,470,940
Non-current assets:				
Deposits		-	-	-
Property and equipment		38,417	-	38,417
Reclamation bonds		45,000	-	45,000
Resource property costs / Mineral interests		1,761,589	-	1,761,589
TOTAL ASSETS		$ 3,315,946	$ -	$ 3,315,946
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 155,997	$ -	$ 155,997
Equity:				
Share capital	4(b)(i)	10,138,825	291,794	10,430,619
Share-based payments reserve *	4(b)(ii)	2,605,773	35,638	2,641,411
Accumulated other comprehensive loss		(216,250)	-	(216,250)
Deficit	4(b)(i) - (ii)	(9,368,399)	(327,432)	(9,695,831)
		3,159,949	-	3,159,949
TOTAL LIABILITIES AND EQUITY		$ 3,315,946	$ -	$ 3,315,946

** Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $1,694,013 and share purchase warrants of $911,760.*

(Stated in Canadian Funds)

4. First-time Adoption of IFRS – *Continued*

b) Reconciliation of Previously Reported Financial Statements – *Continued*

The Canadian GAAP Condensed Interim Statement of Loss and Comprehensive Loss for the three month period ended May 31, 2010 has been reconciled to IFRS as follows:

		Three Months Ended May 31, 2010		
	Note	**Canadian GAAP**	**Effect of Transition to IFRS**	**IFRS**
Expenses:				
Amortization / Depreciation		$ 2,365	$ -	$ 2,365
Corporate listing and filing fees		3,141	-	3,141
Exploration and evaluation expenses		15,020	-	15,020
General and administrative costs		48,596	-	48,596
Professional fees		15,500	-	15,500
Stock-based compensation / Share-based payments	4(b)(ii)	39,708	2,020	41,728
Wages and consulting fees		107,968	-	107,968
Loss from operations		(232,298)	(2,020)	(234,318)
Other income:				
Interest and other income		98	-	98
Net loss and comprehensive loss for the period		$ (232,200)	$ (2,020)	$ (234,220)
Weighted average number of shares outstanding		52,691,529		52,691,529
Basic and diluted loss per share		$ (0.00)		$ (0.00)

(Stated in Canadian Funds)

4. First-time Adoption of IFRS – *Continued*

b) Reconciliation of Previously Reported Financial Statements – *Continued*

The February 28, 2011 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

		February 28, 2011		
	Note	**Canadian GAAP**	**Effect of Transition to IFRS**	**IFRS**
ASSETS				
Current assets:				
Cash and cash equivalents		$ 1,419,320	$ -	$ 1,419,320
Short-term investments		234,500	-	234,500
Marketable securities		115,000	-	115,000
Sales tax and other receivables		48,462	-	48,462
Prepaid expenses		14,163	-	14,163
		1,831,445	-	1,831,445
Non-current assets:				
Deposits		20,818	-	20,818
Property and equipment		31,324	-	31,324
Reclamation bonds		50,500	-	50,500
Resource property costs / Mineral interests		1,439,924	-	1,439,924
TOTAL ASSETS		$ 3,374,011	$ -	$ 3,374,011
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 93,069	$ -	$ 93,069
Equity:				
Share capital	4(b)(i)	11,441,988	601,041	12,043,029
Share-based payments reserve *	4(b)(ii)	3,213,872	29,474	3,243,346
Accumulated other comprehensive loss		(168,250)	-	(168,250)
Deficit	4(b)(i) - (ii)	(11,206,668)	(630,515)	(11,837,183)
		3,280,942	-	3,280,942
TOTAL LIABILITIES AND EQUITY		$ 3,374,011	$ -	$ 3,374,011

** Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $2,153,486 and share purchase warrants of $1,060,386.*

(Stated in Canadian Funds)

4. First-time Adoption of IFRS *– Continued*

b) Reconciliation of Previously Reported Financial Statements *– Continued*

The Canadian GAAP Statement of Loss and Comprehensive Loss for the year ended February 28, 2011 has been reconciled to IFRS as follows:

	Note	Year Ended February 28, 2011		
		Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses:				
Amortization / Depreciation		$ 9,458	$ -	$ 9,458
Corporate listing and filing fees		32,420	-	32,420
Exploration and evaluation expenses		1,187,283	-	1,187,283
General and administrative costs		177,262	-	177,262
Professional fees		71,873	-	71,873
Stock-based compensation / Share-based payments	4(b)(ii)	147,916	(4,144)	143,772
Wages and consulting fees		447,818	-	447,818
Loss from operations		(2,074,030)	4,144	(2,069,886)
Other income (expenses):				
Gain on sale of marketable securities		105,130	-	105,130
Interest and other income		32,518	-	32,518
Interest and penalties expense		(869)	-	(869)
Write-down of mineral interest		(579,165)	-	(579,165)
Loss before income taxes		(2,516,416)	4,144	(2,512,272)
Future / Deferred income tax recovery	4(b)(i)	445,947	(309,247)	136,700
Net loss for the year		$ (2,070,469)	$ (305,103)	$ (2,375,572)
Unrealized gain on marketable securities		48,000	-	48,000
Comprehensive loss for the year		$ (2,022,469)	$ (305,103)	$ (2,327,572)
Weighted average number of shares outstanding		67,745,500		67,745,500
Basic and diluted loss per share		$ (0.03)		$ (0.04)

(Stated in Canadian Funds)

4. First-time Adoption of IFRS *– Continued*

b) Reconciliation of Previously Reported Financial Statements *– Continued*

Notes to the reconciliations of previously reported financial statements:

(i) Flow-through Share Accounting

Under Canadian GAAP, the Company would record the gross proceeds relating to the flow-through shares to share capital at the time of issuance. It would then record a charge (reduction) to share capital at the time the tax benefits of the flow-through shares were renounced to the subscribers. The charge was calculated by multiplying the amount of the renounced tax benefits (which are equal to the proceeds of the flow-through share issue) by the effective tax rate at the time. The offset would go to the deferred tax liability to reflect the fact that the Company could no longer use the tax attributes for its benefit.

Under IFRS, the proceeds from issuing flow-through shares are allocated between the offering of the shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares, at the date of closing, and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium, and is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense. There is no subsequent reduction in share capital.

Impact on Statements of Financial Position:

		March 1, 2010		**May 31, 2010**		**February 28, 2011**
Share capital	$	291,794	$	291,794	$	601,041
Adjustment to deficit	$	(291,794)	$	(291,794)	$	(601,041)

Impact on Statements of Loss and Comprehensive Loss:

		May 31, 2010		**February 28, 2011**
Deferred income tax recovery	$	-	$	(309,247)
Adjustment to net loss and comprehensive loss	$	-	$	(309,247)

(ii) IFRS 2 – Share-based Payments and Share-based Payments Reserve

Under Canadian GAAP, the Company calculated the fair value of share-based awards with graded vesting as one grant and used the straight-line method of calculating share-based payments over the vesting period.

Under IFRS, each tranche of a share-based award with different vesting dates is considered a separate grant for the fair value calculation. The resulting fair value of the share-based payment is recognized over the vesting period of the respective tranche using the graded vesting method.

(Stated in Canadian Funds)

4. First-time Adoption of IFRS – *Continued*

b) Reconciliation of Previously Reported Financial Statements – *Continued*

Notes to the reconciliations of previously reported financial statements: – *Continued*

(ii) IFRS 2 – Share-based Payments and Share-based Payments Reserve – *Continued*

Impact on Statements of Financial Position:

		March 1, 2010		May 31, 2010		February 28, 2011
Share based-payments reserve	$	33,618	$	35,638	$	29,474
Adjustment to deficit	$	(33,618)	$	(35,638)	$	(29,474)

Impact on Statements of Loss and Comprehensive Loss:

		May 31, 2010		February 28, 2011
Share-based payments	$	(2,020)	$	4,144
Adjustment to net loss and comprehensive loss	$	(2,020)	$	4,144

5. Short-term Investments

As of May 31, 2011, the Company has invested $34,500 (February 28, 2011 - $234,500 and March 1, 2010 - $134,500) into Guaranteed Investment Certificates ("GICs") with a Canadian financial institution. These GICs are yielding interest at rates ranging from 0.2% to 1.2% and have maturity dates greater than four months.

6. Marketable Securities

Marketable securities have been classified of available-for-sale investments and consist of various common shares held by the Company of other public companies. A summary of the above details is as follows:

	May 31, 2011		February 28, 2011		March 1, 2010	
	Market Value	**Cost**	Market Value	Cost	Market Value	Cost
Common shares of public companies, not subject to significant influence	**$ 113,500**	**$ 283,250**	$ 115,000	$ 283,250	$ 62,500	$ 278,750

(Stated in Canadian Funds)

7. Property and Equipment

Details of the Company's property and equipment are as follows:

	May 31, 2011			February 28, 2011		
	Cost	**Accumulated Depreciation**	**Net Book Value**	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	$ **44,478**	$ **(25,503)**	$ **18,975**	$ 33,079	$ (23,965)	$ 9,114
Computer software	**79,068**	**(79,068)**	**-**	77,181	(77,181)	-
Office furniture and equipment	**34,464**	**(18,096)**	**16,368**	31,058	(17,234)	13,824
Project field equipment	**17,422**	**(6,802)**	**10,620**	14,629	(6,243)	8,386
	$ **175,432**	$ **(129,469)**	$ **45,963**	$ 155,947	$ (124,623)	$ 31,324

	March 1, 2010		
	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	$ 33,079	$ (20,059)	$ 13,020
Computer software	77,181	(77,181)	-
Office furniture and equipment	31,058	(13,779)	17,279
Project field equipment	14,629	(4,146)	10,483
	$ 155,947	$ (115,165)	$ 40,782

8. Reclamation Bonds

As of May 31, 2011, the Company has invested a total $50,500 (February 28, 2011 - $50,500 and March 1, 2010 - $45,000) into various GICs with a Canadian financial institution as part of various Safe-Keeping Agreements entered into by the Company for its various properties. 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 1.15%.

9. Mineral Interests

Details of the Company's mineral interest acquisition costs are as follows:

	Minto/Carmacks Copper-Gold Properties (Yukon)	**Engineer (B.C.)**	**Sickle-Sofia (B.C.)**	**Voigtberg (B.C.)**	**Other Properties (B.C.)**	**Total**
Balance, March 1, 2010	$ 653,834	$ 436,263	$ 579,165	$ 151,944	$ 383	$ 1,821,589
Acquisition costs - cash	50,000	10,000	-	-	10,000	70,000
Acquisition costs - shares and warrants	12,000	250,000	-	18,000	12,000	292,000
Property option payments received – cash and shares	(164,500)	-	-	-	-	(164,500)
Write-down of mineral interest	-	-	(579,165)	-	-	(579,165)
Balance, February 28, 2011 and May 31, 2011	**$ 551,334**	**$ 696,263**	**$ -**	**$ 169,944**	**$ 22,383**	**$ 1,439,924**

(Stated in Canadian Funds)

9. Mineral Interests - *Continued*

Details of the Company's exploration and evaluation expenses, which have been cumulatively expensed in the Statement of Loss and Comprehensive Loss and Deficit, are as follows:

	Minto/Carmacks Copper-Gold Properties (Yukon)	Engineer (B.C.)	Sickle-Sofia (B.C.)	Voigtberg (B.C.) *	Other Properties (B.C.)	Total
Balance, March 1, 2010	$ 3,621,041	$ 1,456,830	$ 1,007,508	$ 793,669	$ 90,300	$ 6,969,348
Exploration and evaluation expenses	301,781	528,676	-	81,366	70,035	981,858
Balance, February 28, 2011	3,922,822	1,985,506	1,007,508	875,035	160,335	7,951,206
Exploration and evaluation expenses (recovery) **	(90,872)	96,650	-	3,960	10,452	20,190
Balance, May 31, 2011	**$ 3,831,950**	**$ 2,082,156**	**$ 1,007,508**	**$ 878,995**	**$ 170,787**	**$ 7,971,396**

** As of May 31, 2011, the Company incurred $1,007,203 in exploration and evaluation expenses. This amount has been offset by $128,208 in BC METC.*

*** As per the Statement of Loss and Comprehensive Loss, the Company incurred $64,511 (February 28, 2011 – 1,187,283) in exploration and evaluation expenses. Of this amount, $20,190 (February 28, 2011 - $981,858) was incurred as a result of exploration on the Company's respective properties as per the table above and $44,321 (February 28, 2011 - $205,425) was incurred as a result of general exploration.*

a) Minto/Carmacks Copper-Gold Properties, Yukon

On November 1, 2006, the Company entered into an option agreement with a third party and has acquired a 100% interest in several mineral properties in the vicinity of the Minto/Carmacks Copper-Gold Belt by making $300,000 in cash payments, incurring $900,000 in exploration expenditures and issuing 1,000,000 units between April 2007 and October 2010.

The 1,000,000 units noted above 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. As at May 31, 2011, 350,000 warrants out of the 500,000 warrants issued have expired without exercise.

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

<u>*Toe and Pepper Properties*</u>

During the prior fiscal year ended February 28, 2011, the Company optioned two of its Minto/Carmacks Copper-Gold properties to two unrelated public companies. Under the terms of the Option Agreements, the Company received an aggregate of 200,000 common shares and cash consideration. The fair value of these shares at the date of issuance amounted to $19,500 and was recorded as marketable securities. During the period ended May 31, 2011, these Option Agreements were terminated.

9. Mineral Interests – *Continued*

b) Engineer, B.C.

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 acquired 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 *(2011 payment made)* 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; *(second tranche issued – fair value of $48,000; third tranche issued – fair value of $52,000)*
- 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 *(completed drill program)*.

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

- An additional 11% interest *(earned)* by issuing $150,000 of value in shares and 75,000 warrants by January 16, 2011; *(issued 1,200,000 shares – fair value of $150,000 for the shares and $7,108 for the warrants)*
- 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.

Since earning the 49% interest, the Company may now 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 noted above 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%.

(Stated in Canadian Funds)

9. Mineral Interests – *Continued*

c) Voigtberg, B.C.

On July 10, 2006, the Company signed a letter of intent with Kaminak Gold Corp. ("Kaminak"), which was subsequently amended * on September 11, 2009 and September 15, 2010 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 of $70,000 for the shares and $16,944 for the warrants - expired);*
- 100,000 units on or before September 15, 2008 *(issued – fair value of $14,264 for the shares and $4,736 for the warrants - expired); and*
- 100,000 units on or before September 15, 2010 *(issued – fair value of $7,076 for the shares and $1,924 for the warrants)*

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:

		Amount	Date	Interest Earned
i)	$	350,000	to September 15, 2007 *(incurred)*	0%
ii)		350,000	to September 15, 2008 *(incurred)*	0%
iii)		300,000	to September 15, 2010 *(incurred)*	50%
iv)		350,000	to September 15, 2011	0%
v)		650,000	to September 15, 2012	10%
	$	2,000,000		60%

** As consideration for the amendments to the Voigtberg Option Agreement, BCGold issued 100,000 common shares (fair value - $11,000) of the Company to Kaminak on September 24, 2009 and 100,000 common shares (fair value - $9,000) of the Company to Kaminak on September 29, 2010. The amendment to the Voigtberg Option Agreement consisted of deferring the minimum exploration expenditures required to be incurred and the unit issuances by one year.*

Upon incurring $1 million in exploration expenditures, the Company has 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.

(Stated in Canadian Funds)

9. Mineral Interests – *Continued*

d) Gold Hill Property, B.C.

On September 30, 2010, the Company entered into an option agreement with Guardsmen Resources Inc. ("Guardsmen"), a private company, to earn a 100% interest in Guardsmen's Gold Hill property. The Company can earn a 100% interest in the Gold Hill property over the next four years by meeting the following contractual commitments:

- Making $100,000 in staged cash payments (*paid - $10,000)*;
- Issuing 100,000 common shares to Guardsmen within 5 days of TSX-V Exchange approval *(issued – fair value of $12,000);* and
- Incurring $500,000 in exploration work on the Gold Hill property as follows:

		Amount	Date
i)	$	100,000	to September 30, 2011
ii)		133,333	to September 30, 2012
iii)		133,333	to September 30, 2013
iv)		133,334	to September 30, 2014
	$	500,000	

Guardsmen will retain a 2.5% Net Smelter Return ("NSR") on the Gold Hill property, which can be reduced to 0.5% by the Company at a cost of $1,500,000.

e) Sickle-Sofia, B.C.

During the prior fiscal year ended February 28, 2011, the Company wrote-off its Sickle-Sofia property for accounting purposes only and still retains legal title to its 51% interest in the mineral claims.

10. Equity

a) Share Capital

The Company's authorized share capital consists of an unlimited number of common voting shares without par value.

b) Private Placements

Private Placement October 2010

On October 28, 2010, the Company closed a non-brokered private placement of 4,700,999 flow-through units at a price of $0.12 per flow-through unit and 6,500,000 non flow-through units at a price of $0.10 per non flow-through unit for aggregate gross proceeds of $1,214,120. 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 for a period of two years at $0.20 per share during year one and $0.30 per share during year two.

(Stated in Canadian Funds)

10. Equity - *Continued*

b) Private Placements - *Continued*

Private Placement October 2010 - Continued

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 $0.15 per share for a period of one year from the date of issuance. Finder's fees of $59,702 were paid in cash.

The warrants attached to the flow-through issuance have been valued at $146,774 based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.42%
Expected stock price volatility	204%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with the flow-through private placement, the Company issued 122,520 broker's warrants, each warrant exercisable to purchase one additional non flow-through common share of the Company for a period of two years from the date of issuance at a price of $0.20 per share in year one and $0.30 per share in year two. These warrants have been valued at $10,876 based upon the Black-Scholes Method using the same assumptions noted above. The Company has recorded the fair value of these broker's warrants as share issuance costs.

The warrants attached to the non flow-through issuance have been valued at $108,458 ($123,360 net of warrant issuance costs of $14,902) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.42%
Expected stock price volatility	135%
Expected dividend yield	0.00%
Expected life of warrants	1 year

In connection with the non flow-through private placement, the Company issued 480,000 broker's warrants, each warrant exercisable to purchase one additional non flow-through common share of the Company for a period of one year from the date of issuance at a price of $0.15 per share. These warrants have been valued at $24,172 based upon the Black-Scholes Method using the same assumptions noted above. The Company has recorded the fair value of these broker's warrants as share issuance costs.

Private Placement August 2010

On August 19, 2010, the Company closed a non-brokered private placement of 6,835,000 flow-through units at a price of $0.12 per flow-through unit for aggregate gross proceeds of $820,200. 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 for a period of two years from the date of issuance at a price of $0.20 per share in year one and $0.30 per share in year two. Finder's fees of $43,200 were paid in cash.

(Stated in Canadian Funds)

10. Equity - *Continued*

b) Private Placements - *Continued*

Private Placement August 2010 - Continued

The warrants attached to this issuance have been valued at $187,064 ($198,547 net of warrant issuance costs of $11,483) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.55%
Expected stock price volatility	208%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with the above noted private placement, the Company issued 480,000 broker's warrants, each warrant exercisable to purchase one additional non flow-through common share of the Company for a period of two years from the date of issuance at a price of $0.20 per share in year one and $0.30 per share in year two. These warrants have been valued at $36,934 based upon the Black-Scholes Method using the same assumptions noted above. The Company has recorded the fair value of these broker's warrants as share issuance costs.

Private Placement April 2010

On April 30, 2010, the Company closed a non-brokered private placement of 4,006,200 flow-through units at a price of $0.10 per flow-through unit and 10,160,000 non flow-through units at a price of $0.08 per non flow-through unit for aggregate gross proceeds of $1,213,420. 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 $0.20 per share for a period of 18 months 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 $0.15 per share for a period of 18 months from the date of issuance. Finder's fees of $50,630 were paid in cash.

The warrants attached to this issuance have been valued at $462,194 ($485,873 net of warrant issuance costs of $23,679) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.63%
Expected stock price volatility	225%
Expected dividend yield	0.00%
Expected life of warrants	1.5 years

In connection with the above noted private placement, the Company issued 560,000 broker's warrants, each warrant exercisable to purchase one additional non flow-through common share of the Company. Of these broker's warrants, 400,000 of them are exercisable at a price of $0.15 for a period of 18 months from the date of issuance and the remaining 160,000 warrants are exercisable at a price of $0.20 for a period of 18 months from the date of issuance. These warrants have been valued at $64,411 based upon the Black-Scholes Method using the same assumptions noted above. The Company has recorded the fair value of these broker's warrants as share issuance costs.

(Stated in Canadian Funds)

10. Equity - *Continued*

c) Share Purchase and Agents Warrants

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance March 1, 2010	8,805,500	$0.16
Issued	17,918,619	$0.21
Exercised	(105,014)	$0.12
Expired without exercise	(8,600,486)	$0.17
Balance February 28, 2011 and May 31, 2011	**18,018,619**	**$0.21**

At May 31, 2011, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
September 14, 2011	$0.11	50,000	$ 1,924
October 15, 2011	$0.50	100,000	5,613
October 28, 2011	$0.15	3,730,000	132,630
October 30, 2011	$0.15	5,480,000	371,448
October 30, 2011	$0.20	2,163,100	155,157
July 5, 2012	$0.50	50,000	4,858
August 19, 2012	$0.30	3,897,500	223,998
October 28,2012	$0.30	2,473,019	157,650
January 16, 2013	$0.14	75,000	7,108
Weighted Average	**$0.21**	**18,018,619**	**$ 1,060,386**

The above noted fair value of $1,060,386 is included in share-based payments reserve in the Company's Statement of Financial Position at May 31, 2011.

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 Company 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.

(Stated in Canadian Funds)

10. Equity - *Continued*

d) Stock Options - *Continued*

There were no stock options granted during the three month period ended May 31, 2011. The associated share-based payments expense for stock options granted during prior fiscal years is as follows:

Fiscal year ended February 28, 2011 - Grants

On January 11, 2011, the Company granted 1,960,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at $0.15 per share and expire on January 11, 2016. These options are subject to vesting criteria such that 25% shall vest every three months from the date of grant. The corresponding share-based payments expense amounted to $229,931, which was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Assumptions	
Risk-free interest rate	2.23%
Expected stock price volatility	173%
Expected dividend yield	0.00%
Expected life of options	5 years

Of the $229,931 in share-based payments expense, $65,824 has been recognized during the fiscal year ended February 28, 2011, $88,049 has been recognized during the three month period ended May 31, 2011 and the remainder will be recognized during the remaining nine months of the fiscal year ended February 29, 2012.

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 share-based payments expense amounted to $111,566, which was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Assumptions	
Risk-free interest rate	2.48%
Expected stock price volatility	183%
Expected dividend yield	0.00%
Expected life of options	5 years

Of the $111,566 in share-based payments expense, $33,618 has been recognized during the fiscal year ended February 28, 2010, $41,728 has been recognized during the three month period ended May 31, 2010 and the remaining $36,220 has been recognized during the remaining nine months of the fiscal year ended February 28, 2011.

(Stated in Canadian Funds)

10. Equity - *Continued*

d) Stock Options - *Continued*

At May 31, 2011, the following options were outstanding and exercisable:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining in Years	Number of Options Exercisable
June 5, 2011 *	$0.10	310,000	0.01	310,000
September 15, 2011	$0.45	190,000	0.29	190,000
June 19, 2012	$0.70	100,000	1.05	100,000
August 22, 2012	$0.70	556,000	1.23	556,000
October 24, 2013	$0.20	815,000	2.40	815,000
January 11, 2015	$0.10	1,645,000	3.62	1,645,000
January 11, 2016	$0.15	1,960,000	4.62	490,000
	$0.21	**5,576,000**	**3.19**	**4,106,000**

* Subsequent to the period ended May 31, 2011, 310,000 stock options with an exercise price of $0.10 expired without exercise.

e) Broker's Options

On August 6, 2010, 430,000 broker's options were exercised for gross proceeds of $34,400. The fair value of $27,528 in connection with these options has been transferred from share-based payments reserve to share capital. The 215,000 warrants tied to these options expired without exercise on August 7, 2010.

f) Flow-Through Shares

Fiscal Year Ended February 28, 2011

During the year ended February 28, 2011, the Company issued 15,542,199 flow-through common shares for total proceeds of $1,784,940. These funds must be used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2010. The unspent balance of this flow-through issuance as at May 31, 2011 was $506,207 which must be spent by December 31, 2011.

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 unspent balance of this flow-through issuance as at May 31, 2011 was $nil.

(Stated in Canadian Funds)

11. Related Party Transactions

Details of transactions between the Company and related parties are disclosed below:

a) Trading Transactions

The Company's related parties consist of its President and Chief Executive Officer, a company owned by the Vice President of Exploration of the Company and a company owned by the Chief Financial Officer of the Company. The nature of transactions and relationships is as follows:

	Nature of Transactions
President and CEO	Management
O'Brien Geological Consulting Inc.	Management
L.M. Okada Ltd.	Management

The Company incurred fees and expenses in the normal course of operations in connection with its President and CEO, and companies owned by key management. Details are as follows:

	Note	May 31, 2011	May 31, 2010
Management fees	(i)	**$ 101,250**	$ 60,500
Total Amount Included in Wages and Consulting Fees		**$ 101,250**	$ 60,500

(i) During the three month period ended May 31, 2011, the Company paid $43,750 (May 31, 2010 - $42,500) to its President and Chief Executive Officer for consulting services. The Company paid fees to a private company controlled by its Vice President of Exploration for consulting services. The total amount paid during the three months ended May 31, 2011 was $42,500 (May 31, 2010 - $Nil). The Company also paid fees to a private company controlled by its Chief Financial Officer for consulting services. The total amount paid during the three months ended May 31, 2011 was $15,000 (May 31, 2010 - $18,000).

(ii) Amounts due to related parties are unsecured, non-interest bearing and due on demand.

b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the three months ended May 31, 2011 and May 31, 2010 were as follows:

	Note	May 31, 2011	May 31, 2010
Management fees	(i)	**$ 101,250**	$ 60,500
Share-based payments	(ii)	**60,638**	19,521
		$ 161,888	$ 80,021

(i) Management fees include the management fees disclosed in Note 11(a) above.

11. Related Party Transactions - *Continued*

b) Compensation of Key Management Personnel - *Continued*

(ii) Share-based payments are the fair value of options granted and vested to key management personnel.

(iii) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the three months ended May 31, 2011 and May 31, 2010.

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12. Management of Capital

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.

(Stated in Canadian Funds)

12. Management of Capital - *Continued*

There were no changes in the Company's approach to capital management during the three months ended May 31, 2011 compared to the year ended February 28, 2011. The Company is not subject to externally imposed capital requirements.

13. Financial Instruments

Fair Value

The Company has classified its cash and cash equivalents and other receivables as loans and receivables and short-term investments as fair value through profit or loss. Marketable securities have been classified as available-for-sale and accounts payable and accrued liabilities are classified as borrowings and other financial liabilities. As of May 31, 2011, the statement of financial position carrying amounts of these financial instruments closely approximate their fair values.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following provides a comparison of carrying values of each classification of financial instruments as at May 31, 2011, February 28, 2011 and March 1, 2010:

	May 31, 2011	February 28, 2011	March 1, 2010
Loans and receivables	**$ 1,334,891**	$ 1,467,782	$ 237,931
Fair value through profit or loss	**$ 34,500**	$ 234,500	$ 134,500
Available-for-sale	**$ 113,500**	$ 115,000	$ 62,500
Borrowings and other financial liabilities	**$ 98,111**	$ 93,069	$ 165,934

13. Financial Instruments - *Continued*

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and market 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, short-term investments and other receivables. BCGold deposits its cash and cash equivalents with high credit quality major Canadian financial institutions as determined by ratings agencies. 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 attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As of May 31, 2011, the Company had a cash balance of $1,282,247 (February 28, 2011 - $1,419,320 and March 1, 2010 - $204,935) to settle current liabilities of $98,111 (February 28, 2011 - $93,069 and March 1, 2010 - $165,934). Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents short-term investments and reclamation bonds include deposits which are at variable interest rates. For the three months ended May 31, 2011, a plus or minus 0.5% change in market interest rates would affect the Company's interest earned on cash and cash equivalents and short-term investments by approximately $6,500.

Market Price Risks

The only significant market price risks to which the Company is exposed to is interest rate risk and price volatility on its marketable securities. The Company's bank account earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates.

14. Segmented Information

The Company conducts its business in a single operating segment being the mining business in Canada. All mineral properties and property and equipment are situated in Canada. Any investment revenues were earned principally from Canadian sources.