

**BCGOLD CORP.**

**(An Exploration Stage Company)**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2008**

**In Canadian Funds**

**(Unaudited – Prepared by Management)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these interim financial statements.

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Interim Balance Sheets**

*(Unaudited – Prepared by Management)*  
*Canadian Funds*

Statement 1

	<b>As at August 31, 2008 (Unaudited)</b>	<b>As at February 29, 2008 (Audited)</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 435,720	\$ 1,234,966
Short-term investments	45,000	12,000
Marketable securities	87,500	137,500
GST and other receivables	393,462	209,243
Prepaid expenses	15,500	6,301
	<b>977,182</b>	<b>1,600,010</b>
<b>Property and Equipment</b>	<b>74,242</b>	<b>63,945</b>
<b>Resource Property Costs</b> <i>(Note 4) – Schedule</i>	<b>7,158,329</b>	<b>5,637,577</b>
	<b>\$ 8,209,753</b>	<b>\$ 7,301,532</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 531,067	\$ 177,026
Interest payable <i>(Note 5e)</i>	22,533	-
Future income tax liability <i>(Note 9)</i>	74,185	-
	<b>627,785</b>	<b>177,026</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> <i>(Note 5a)</i>	<b>7,876,293</b>	<b>7,221,443</b>
<b>Share Purchase Warrants</b> <i>(Note 5c)</i>	<b>945,735</b>	<b>945,735</b>
<b>Contributed Surplus</b> <i>(Note 6)</i>	<b>631,191</b>	<b>566,392</b>
<b>Accumulated Other Comprehensive Loss</b> <i>(Statement 4)</i>	<b>(191,250)</b>	<b>(141,250)</b>
<b>Deficit</b> - <i>Statement 2</i>	<b>(1,680,001)</b>	<b>(1,467,814)</b>
	<b>7,581,968</b>	<b>7,124,506</b>
	<b>\$ 8,209,753</b>	<b>\$ 7,301,532</b>

ON BEHALF OF THE BOARD:

"Brian Fowler", President & CEO, Director

"Guy Le Bel", Director

- See Accompanying Notes -

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

Statement 2

*(Unaudited – Prepared by Management)*  
*Canadian Funds*

	For the three months ended August 31, 2008	For the three months ended August 31, 2007	For the six months ended August 31, 2008	For the six months ended August 31, 2007
<b>Expenses</b>				
Amortization	\$ 17,883	\$ 3,074	\$ 28,420	\$ 5,287
Conference and meetings	13,895	14,304	22,377	52,794
Corporate listing and filing fees	4,544	3,281	10,989	8,209
Investor relations	31,213	27,225	59,055	43,786
Office and administration	23,970	32,756	37,696	35,113
Professional fees	21,639	17,573	36,389	54,520
Rent	7,160	15,574	20,666	33,373
Stock-based compensation <i>(Note 5d)</i>	-	78,330	64,799	78,330
Transfer agent fees	7,105	4,544	8,999	8,424
Wages and consulting fees	60,081	154,487	164,304	293,030
<b>Loss before the undernoted</b>	<b>(187,490)</b>	<b>(351,148)</b>	<b>(453,694)</b>	<b>(612,866)</b>
<b>Other Income (Expenses)</b>				
Interest and other income	13,310	11,794	24,723	22,761
Interest expense <i>(Note 5e)</i>	(22,533)	-	(22,533)	-
Generative activities	(10,974)	(5,695)	(18,648)	(10,195)
	<b>(20,197)</b>	<b>6,099</b>	<b>(16,458)</b>	<b>12,566</b>
<b>Loss before income taxes</b>	<b>(207,687)</b>	<b>(345,049)</b>	<b>(470,152)</b>	<b>(600,300)</b>
<b>Future income tax (expense) recovery <i>(Note 9)</i></b>	<b>(80,874)</b>	<b>-</b>	<b>257,965</b>	<b>265,608</b>
<b>Net loss for the period</b>	<b>(288,561)</b>	<b>(345,049)</b>	<b>(212,187)</b>	<b>(334,692)</b>
<b>Transition adjustment to opening balance – other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,750</b>
<b>Deficit - Beginning of Period</b>	<b>(1,391,440)</b>	<b>(494,074)</b>	<b>(1,467,814)</b>	<b>(508,181)</b>
<b>Deficit - End of Period</b>	<b>\$ (1,680,001)</b>	<b>\$ (839,123)</b>	<b>\$ (1,680,001)</b>	<b>\$ (839,123)</b>
<b>Basic Loss per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>20,674,145</b>	<b>13,722,092</b>	<b>20,674,145</b>	<b>13,722,092</b>

- See Accompanying Notes -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Interim Statements of Comprehensive Loss**

Statement 3

*(Unaudited – Prepared by Management)*  
*Canadian Funds*

	<b>For the three months ended August 31, 2008</b>	<b>For the three months ended August 31, 2007</b>	<b>For the six months ended August 31, 2008</b>	<b>For the six months ended August 31, 2007</b>
<b>Net loss for the period</b>	<b>\$ (288,561)</b>	<b>\$ (345,049)</b>	<b>\$ (212,187)</b>	<b>\$ (334,692)</b>
Unrealized loss on marketable securities	<b>(37,500)</b>	(95,000)	<b>(50,000)</b>	(95,000)
<b>Comprehensive loss</b>	<b>\$ (326,061)</b>	<b>\$ (440,049)</b>	<b>\$ (262,187)</b>	<b>\$ (429,692)</b>

- See Accompanying Notes -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Interim Statements of Changes in Shareholders' Equity**

Statement 4

(Unaudited – Prepared by Management)  
Canadian Funds

	For the three months ended August 31, 2008	For the three months ended August 31, 2007	For the six months ended August 31, 2008	For the six months ended August 31, 2007
<b>Share capital</b>				
Balance – beginning of period	\$ 7,876,293	\$ 5,675,030	\$ 7,221,443	\$ 2,150,480
Cash – exercise of warrants	-	17,000	-	25,750
Fair value of share purchase warrants exercised	-	4,487	-	6,796
Issued during the period (Note 5a)	-	-	1,050,000	3,946,823
Share issuance costs	-	-	(63,000)	(167,724)
Flow-through income tax renunciation (Note 5e)	-	-	(332,150)	(265,608)
Balance – end of period	<b>7,876,293</b>	5,696,517	<b>7,876,293</b>	5,696,517
<b>Share purchase warrants</b>				
Balance – beginning of period	<b>945,735</b>	853,506	<b>945,735</b>	274,585
Fair value of share purchase warrants issued	-	-	-	581,230
Fair value of share purchase warrants exercised	-	(4,487)	-	(6,796)
Balance – end of period	<b>945,735</b>	849,019	<b>945,735</b>	849,019
<b>Contributed surplus</b>				
Balance – beginning of period	<b>631,191</b>	142,529	<b>566,392</b>	142,529
Fair value of stock-based compensation on options vested (Note 5d)	-	78,330	<b>64,799</b>	78,330
Balance – end of period	<b>631,191</b>	220,859	<b>631,191</b>	220,859
<b>Deficit</b>				
Balance – beginning of period	<b>(1,391,440)</b>	(494,074)	<b>(1,467,814)</b>	(508,181)
Transitional adjustment to opening balance of other comprehensive income (loss)	-	-	-	3,750
Net loss for the period	<b>(288,561)</b>	(345,049)	<b>(212,187)</b>	(334,692)
Balance – end of period	<b>(1,680,001)</b>	(839,123)	<b>(1,680,001)</b>	(839,123)
<b>Accumulated other comprehensive loss</b>				
Balance – beginning of period	<b>(153,750)</b>	(32,500)	<b>(141,250)</b>	-
Transitional adjustment to opening balance	-	-	-	3,750
Unrealized loss on marketable securities	<b>(37,500)</b>	(62,500)	<b>(50,000)</b>	(98,750)
Balance – end of period	<b>(191,250)</b>	(95,000)	<b>(191,250)</b>	(95,000)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 7,581,968</b>	\$ 5,832,272	<b>\$ 7,581,968</b>	\$ 5,832,272

- See Accompanying Notes -

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

Statement 5

(Unaudited – Prepared by Management)  
Canadian Funds

	For the three months ended August 31, 2008	For the three months ended August 31, 2007	For the six months ended August 31, 2008	For the six months ended August 31, 2007
<b>Cash Flows from Operating Activities</b>				
Net income for the period	\$ (288,561)	\$ (345,049)	\$ (212,187)	\$ (334,692)
Items not affected by cash:				
Future income tax (recovery) expense (Note 9)	80,874	-	(257,965)	(265,608)
Stock-based compensation (Note 5d)	-	78,330	64,799	78,330
Interest expense (Note 5e)	22,533	-	22,533	-
Amortization	17,883	3,074	28,420	5,287
	<u>(167,271)</u>	<u>(263,645)</u>	<u>(354,400)</u>	<u>(516,683)</u>
Change in non-cash working capital:				
GST and other receivables	(132,861)	(75,610)	(184,219)	(54,038)
Prepaid expenses	87,301	(322,296)	(9,199)	(608,084)
Accounts payable and accrued liabilities	(37,073)	(87,969)	(68,715)	23,998
	<u>(249,904)</u>	<u>(749,520)</u>	<u>(616,533)</u>	<u>(1,154,807)</u>
<b>Cash Flows from Investing Activities</b>				
Investment in marketable securities	-	7,000	-	(192,500)
Increase in short-term investments	(39,250)	-	(33,000)	-
Increase in property and equipment, net	(6,155)	(4,300)	(38,717)	(19,997)
Resource property costs	(985,339)	(1,109,225)	(1,097,996)	(1,595,226)
	<u>(1,030,744)</u>	<u>(1,106,525)</u>	<u>(1,169,713)</u>	<u>(1,807,723)</u>
<b>Cash Flows from Financing Activities</b>				
Receipt of funds for future issuance of share capital	-	-	-	(952,000)
Advances from related party	-	19,982	-	6,405
Issuance of share capital and share purchase warrants, net	-	209,262	987,000	4,313,841
	<u>-</u>	<u>229,244</u>	<u>987,000</u>	<u>3,368,246</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,280,648)</b>	<b>(1,626,801)</b>	<b>(799,246)</b>	<b>405,716</b>
<b>Cash and Cash Equivalents- Beginning of Period</b>	<b>1,716,368</b>	<b>4,207,276</b>	<b>1,234,966</b>	<b>2,174,759</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 435,720</b>	<b>\$ 2,580,475</b>	<b>\$ 435,720</b>	<b>\$ 2,580,475</b>

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

Cash calls receivable, accounts payable and accrued liabilities and amounts due to related parties included in resource property costs	\$ 418,069	\$ 179,815	\$ 422,756	\$ 198,366
Issuance of shares and share purchase warrants for property	\$ -	\$ -	\$ -	\$ 264,500

- See Accompanying Notes -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**1. Nature of Operations**

BCGold Corp. (“the Company” or “BCGold”) was 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 an exploration stage enterprise focusing on the acquisition, exploration and development of economic gold and other precious and base metal properties. On September 15, 2006, upon acceptance of the Company’s qualifying transaction, the shares commenced trading under the symbol BCG on the TSX-Venture Exchange.

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**2. Significant Accounting Policies**

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements except that the Company has adopted the following CICA guidelines effective March 1, 2008. These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly, these interim financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at February 29, 2008.

**New Accounting Policies**

**a) Section 1535 – Capital Disclosures**

Effective March 1, 2008, the Company adopted CICA Section 1535, “Capital Disclosures”. This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. The additional disclosure includes quantitative and qualitative information regarding an entity’s objectives, policies and procedures for managing capital.

The impact of adopting this section is disclosed in Note 7.

**b) Section 3862 and 3863 – Financial Instruments Disclosures and Presentation**

Effective March 1, 2008, the Company adopted CICA Section 3862 and 3863, “Financial Instruments Disclosures and Presentation”. This section requires disclosures of both qualitative and quantitative information that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed.

The impact of adopting this section is disclosed in Note 8.

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**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**3. Future Accounting and Reporting Changes**

**a) 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.

**b) Goodwill and Intangible Assets**

In February 2008, the AcSB issued Handbook Section 3064, “Goodwill and Intangible Assets”, which will replace Section 3062, “Goodwill and Intangible Assets” and amended Section 1000, “Financial Statement Concepts” clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard is effective for fiscal years beginning on or after October 1, 2008 and early adoption is permitted. The adoption of this new section is not expected to have a material impact on the Company’s financial position.

**c) CICA Emerging Issues Committee 172 Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain on an Available for Sale Financial Asset**

Effective September 2008, this EIC requires a company which has prior year tax loss carryforwards that have not been recognized as future income tax assets, when there are future income tax liabilities related to unrealized gains from financial assets, to recognize such portion of losses in income in the period. The adoption of this EIC is not expected to have a material impact on the Company’s financial position.

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**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

**4. Resource Property Costs**

Details at August 31, 2008 are as follows:

	Acquisition Costs	Exploration Costs	Balance as at August 31, 2008
Carmacks Copper Gold Project, Yukon	\$ 564,480	\$ 2,087,253	\$ 2,651,733
Engineer, British Columbia	354,058	1,175,318	1,529,376
Todoggone, British Columbia	582,088	1,301,102	1,883,190
Voigtberg, British Columbia	125,155	912,363	1,037,518
Other Properties, British Columbia	56,512	-	56,512
	\$ 1,682,293	\$ 5,476,036	\$ 7,158,329

Details at February 29, 2008 are as follows:

	Acquisition Costs	Exploration Costs	Balance as at February 29, 2008
Carmacks Copper Gold Project, Yukon	\$ 557,530	\$ 1,504,019	\$ 2,061,549
Engineer, British Columbia	352,273	281,703	633,976
Todoggone, British Columbia	563,923	1,279,693	1,843,616
Voigtberg, British Columbia	125,154	917,152	1,042,306
Other Properties, British Columbia	56,130	-	56,130
	\$ 1,655,010	\$ 3,982,567	\$ 5,637,577

**a) Carmacks, Yukon**

On November 1, 2006, the Company entered into an option agreement with a third party to acquire up to a 100% interest in 15 mineral properties in the vicinity of the Minto and Carmacks (Williams Creek) copper gold deposits, by making the following payments, expenditures and Unit issuances:

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 October 15, 2008 <i>(Note 11b)</i>
iv)	50,000	on or before October 15, 2009
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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**BCGold Corp.**  
(An Exploration Stage Company)  
**Notes to Interim Financial Statements**

**August 31, 2008**

(Unaudited – Prepared by Management)

Canadian Funds

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**4. Resource Property Costs – Continued**

**a) Carmacks, Yukon – Continued**

Unit issuances:

i)	300,000	within 5 days of the acceptance of the agreement by the TSX Venture Exchange (issued – fair value \$273,750)
ii)	200,000	on or before October 15, 2007 (issued - fair value \$145,968)
iii)	200,000	on or before October 15, 2008 (issued – fair value \$20,000)(Note 11b)
iv)	200,000	on or before October 15, 2009
v)	100,000	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 warrant being 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%. 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.

**b) Engineer, BC**

On January 16, 2007, the Company entered into a letter agreement with Engineer Mining Corp. ("EMC") to acquire a 100% interest in the Engineer Mine located west of Atlin, BC. Under the terms of the option, the Company may acquire a 51% interest by paying an aggregate of \$250,000 (\$125,000 on or before January 16, 2008 (paid) and \$125,000 on or before January 16, 2009) and issuing an aggregate of 375,000 common shares and 325,000 share purchase warrants to EMC in the first two years (250,000 common shares (fair value \$147,500) and 250,000 share purchase warrants (fair value \$79,763) were issued on November 1, 2007, with the remaining 125,000 common shares and 75,000 share purchase warrants to be issued on or before January 16, 2009). The Company is required to pay an additional \$150,000 to EMC if its share price is below \$0.44 on the trading day prior to the date of issuance for the above noted shares. Upon earning the 51% interest BCGold may, at its option, acquire:

1. an additional 9% interest by issuing \$150,000 in BCGold common shares and 75,000 BCGold common share purchase warrants to EMC in the third year;
2. an additional 15% interest by paying \$200,000 (or issuing \$200,000 in BCGold common shares, at BCGold's option) and issuing 100,000 BCGold common share purchase warrants to EMC in the fourth year; and
3. an additional 25% interest by paying \$400,000 (or issuing \$400,000 in BCGold common shares, at BCGold's option) and issuing 100,000 BCGold common share purchase warrants to EMC in the fifth year.

**BCGold Corp.**  
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**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**4. Resource Property Costs – Continued**

**b) Engineer, BC – Continued**

All payments and issuances may be accelerated at BCGold's option. Each 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 for the twenty consecutive trading days immediately prior to the date of issuance plus 25%.

**c) Toodoggone, 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 multiple hectare Tooggone 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 of Stealth at a price of \$0.20 per share on or before March 31, 2007. The Company acquired 1,750,000 shares in fiscal 2008 (750,000 - 2007). The fair value of these shares at the date of issuance amounting to \$192,500 (2007 - \$86,250) 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 for its initial 51% interest being, Sickle-Sofia, Louis and FogMess and issued 450,000 BCGold common shares (fair value \$265,500) and 225,000 BCGold common share purchase warrants (fair value \$76,663) exercisable at \$0.75 expiring April 2, 2009. A portion of the three properties chosen 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.

The Company can increase its interest to 60% by spending, at its option, an additional \$1 million (total of \$2 million) on each property within a four year period from the election date of March 28, 2008 and can further increase its interest to 75% by producing a bankable feasibility study for each property. Notice of the Company’s plans to proceed with the third option must be provided within 6 months of the exercise of the second option and completed within five years of the notice date. The Company will be the operator of the selected properties.

**BCGold Corp.**  
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**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**4. Resource Property Costs – Continued**

**d) Voigtberg, BC**

On July 10, 2006, the Company signed a letter of intent with Kaminak Gold Corp. (“Kaminak”) 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 \$35,000). In addition, the Company must, at its option, issue an additional 100,000 units to Kaminak on each of the first (issued – fair value \$70,000 for the shares and \$16,944 for the warrants), second (issued subsequent to period end) and third anniversaries of the closing date for a total of 300,000 additional units, each additional unit, including the initial 100,000 units, to consist of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable for one year following the date of issuance to purchase one common share of BCGold at an exercise price 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%, and the Company must, at its option, incur minimum exploration expenditures over a four year period as follows:

i)	\$	350,000	to September 15, 2007 ( <i>completed</i> )
ii)		350,000	to September 15, 2008 ( <i>completed</i> )
iii)		650,000	to September 15, 2009
iv)		650,000	to September 15, 2010
	\$	<u>2,000,000</u>	

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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**BCGold Corp.**  
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**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

**5. Share Capital**

a) Details are as follows:

	Number		Amount
Authorized:			
Unlimited number of common voting shares without par value			
Unlimited number of preferred shares			
Balance – February 29, 2008	20,576,590	\$	7,221,443
Non-flow through shares issued by private placement	3,000,000		1,050,000
Share issuance costs	-		(63,000)
Future income taxes on renouncement of flow-through shares issued (Note 5e)	-		(332,150)
<b>Balance – August 31, 2008</b>	<b>23,576,590</b>	<b>\$</b>	<b>7,876,293</b>

**b) Private Placements**

*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 6% of the proceeds 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.

**c) Share Purchase and Agents Warrants:**

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
February 28, 2006	-	-
Issued	2,552,874	\$0.56
Exercised	(304,500)	\$0.13
February 28, 2007	2,248,374	\$0.62
Issued	4,965,422	\$0.88
Exercised	(245,500)	\$0.48
Expired without exercise	(1,852,874)	\$0.63
<b>February 29, 2008 and August 31, 2008</b>	<b>5,115,422</b>	<b>\$0.90</b>

**BCGold Corp.**  
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**Notes to Interim Financial Statements**

**August 31, 2008**

(Unaudited – Prepared by Management)

Canadian Funds

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**5. Share Capital - Continued**

**c) Share Purchase and Agents Warrants: - Continued**

At August 31, 2008, the following warrants were outstanding:

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Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
September 14, 2008 (Note 4d)	\$0.58	50,000	\$ 16,944
February 23, 2009 (Note 4a)	\$0.75	150,000	37,727
March 15, 2009 (Note 5b)	\$1.00	3,062,922	564,413
April 2, 2009 (Note 4c)	\$0.75	225,000	76,663
October 15, 2009 (Note 4a)	\$0.81	100,000	29,968
November 1, 2009 (Note 4b)	\$0.76	250,000	79,763
December 28, 2009 (Note 5b)	\$0.75/\$1.00*	1,277,500	140,257
<b>Weighted Average</b>	<b>\$0.90</b>	<b>5,115,422</b>	<b>\$ 945,735</b>

\* exercisable at \$0.75 to December 28, 2008 then \$1.00 to December 28, 2009

**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 consultant 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, or 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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*Canadian Funds*

**5. Share Capital – Continued**

**d) Stock Options - Continued**

The associated stock-based compensation expenses for options granted during prior periods are as follows:

Grant Date	No. of Options Granted	Total Expense	Amount of expense recognized or recognizable		
			2007	2008	2009
June 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	253,942	-	189,143	64,799
<b>TOTAL</b>	<b>1,732,000</b>	<b>\$ 427,745</b>	<b>\$ 142,529</b>	<b>\$ 220,417</b>	<b>\$ 64,799</b>

At August 31, 2008, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
June 5, 2011	\$0.10	520,000	2.76
September 15, 2011	\$0.45	300,000	3.04
June 19, 2012	\$0.70	100,000	3.80
September 19, 2012	\$0.70	812,000	3.98
	<b>\$0.47</b>	<b>1,732,000</b>	<b>3.44</b>

**e) Flow-Through Shares**

**Fiscal Year Ended February 29, 2008**

During the year ended February 29, 2008, the Company issued 2,555,000 flow-through common shares for total proceeds of \$1,277,500, which must be used for qualifying exploration expenditures and has been renounced to the flow-through shareholders effective December 31, 2007. The future income tax liability is estimated to be \$332,150 resulting from the renunciation of these qualifying expenditures and has been recorded in the 2009 fiscal year as the renunciation tax forms were filed after February 29, 2008. As the Company had previously unrecognized tax assets available, the future income tax liability as at August 31, 2008 has been reduced to \$74,185 resulting in a recovery of \$257,965. The unspent balance of this flow-through issuance at August 31, 2008 was \$Nil.



**BCGold Corp.**  
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**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**5. Share Capital – Continued**

**e) Flow-Through Shares - Continued**

**Fiscal Year Ended February 28, 2007**

During the year ended February 28, 2007, the Company issued 2,186,999 flow-through common shares for gross proceeds of \$1,160,399 which must be used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2006. The future income tax liability was estimated to be \$359,724 resulting from the renunciation of these qualifying expenditures. A liability of \$94,116 was recorded in the 2007 fiscal year and the balance of \$265,608 in the 2008 fiscal year based upon the filing dates of the renunciation tax forms. These future income tax liabilities were then reduced by the recognition of previously unrecorded future income tax assets on unused tax losses and deductions and a future income tax recovery of \$265,608 (2007 - \$94,116) was recognized on the Statements of Loss and Deficit. Interest payable in relation to this flow-through share issuance has been accrued in the amount of \$22,533 as at August 31, 2008. This interest payable relates to Part XII.6 tax on the balance of exploration expenditures not yet incurred during the period March 1, 2007 to July 31, 2007. This amount has subsequently been paid. The unspent balance of this flow-through issuance at August 31, 2008 was \$Nil.

**f) Escrow Shares**

As at August 31, 2008, 4,350,000 shares are held in escrow. Of these common shares, 1,350,000 will be held in escrow and will be released pro-rata to the shareholders in six equal tranches of 15% every 6 months for a period of 36 months from the date of issuance, that being September 15, 2006 and 3,000,000 will be held in escrow and will be released pro-rata to the shareholders 15 months from the date of issuance, that being May 2, 2008, in four equal tranches of 25% every 3 months for a period of 9 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. Escrow shares are excluded from weighted average number of common shares calculations until their release from escrow.

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**6. Contributed Surplus**

Contributed surplus relates to the recognition of the estimated fair value of stock options and agents warrants as follows:

Balance – February 29, 2008	566,392
Fair value of stock-based compensation on options vested <i>(Note 5d)</i>	64,799
<b>Balance – August 31, 2008</b>	<b>\$ 631,191</b>

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**BCGold Corp.**  
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**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**7. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents, receivables and current liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met.

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**8. Financial Instruments**

**Categories of financial assets and liabilities**

As at August 31, 2008, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

	<b>August 31, 2008</b>		February 29, 2008	
Held for trading	\$	<b>480,720</b>	\$	1,246,966
Loans and receivables	\$	<b>393,462</b>	\$	209,243
Available for sale	\$	<b>87,500</b>	\$	137,500
Other financial liabilities	\$	<b>553,600</b>	\$	177,026

**a) Classification of Financial Instruments**

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 measured at amortized cost. Marketable securities have been designated as available for sale, which are measured at fair value. Accounts payable and accrued liabilities and interest payable are classified as other financial liabilities, which are measured at amortized cost.

**b) Fair Value**

The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying values as the financial assets and liabilities have a short-term to maturity.

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

**8. Financial Instruments – Continued**

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company ensures that it has sufficient capital to meet short-term financial obligations when they become due. The Company prepares cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

**9. Income Taxes**

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

	<b>For the Period Ended August 31, 2008</b>	<b>For the Period Ended August 31, 2007</b>
Earnings (Loss) before income taxes	\$ (470,152)	\$ (600,300)
Statutory Canadian federal and provincial tax rates	<b>30.00%</b>	31.00%
Expected tax recovery	<b>(141,046)</b>	(186,093)
Adjustments:		
Stock-based compensation	<b>19,440</b>	24,282
Prior years unrealized future income tax asset offset by valuation allowance	<b>(152,573)</b>	-
Other	<b>(481)</b>	(66,456)
Statutory tax rate difference	<b>16,695</b>	(37,341)
	<b>(257,965)</b>	(265,608)
Valuation allowance	-	-
Income tax expense (recovery)	<b>\$ (257,965)</b>	\$ (265,608)

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

	<b>August 31, 2008</b>	<b>February 29, 2008</b>
Future income tax asset (liability)		
Non-capital loss carry-forwards	\$ 490,365	\$ 384,608
Share issuance costs	<b>43,224</b>	59,161
Others	<b>15,882</b>	66,018
Resource property costs tax basis in excess of book value (book value in excess of tax costs)	<b>(623,656)</b>	(467,239)
Future income tax asset (liability)	<b>(74,185)</b>	42,548
Valuation allowance	-	(42,548)
Future income tax liability	<b>\$ (74,185)</b>	\$ -

**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Notes to Interim Financial Statements**

**August 31, 2008**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

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**9. Income Taxes – Continued**

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse. For fiscal 2009 the future enacted rate is estimated to be 26% (2008 – 26%).

- c) The Company has non-capital losses which may be applied to reduce future year's taxable income. As at August 31, 2008, these non-capital losses amounted to \$1,886,016 (February 29, 2008 – \$1,468,641). Of these non-capital losses, \$14,160 will expire in 2026, \$434,349 will expire in 2027, \$1,020,132 will expire in 2028 and the remaining \$417,375 in 2029.

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**10. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current period's presentation.

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**11. Subsequent Events**

- a) On September 9, 2008, the Company completed a non-brokered private placement for aggregate gross proceeds of \$1,465,000 through the sale of 5,675,000 flow-through common shares ("FT Shares") at a price of \$0.20 per FT Share and 1,650,000 units ("NFT Units") at a price of \$0.20 per NFT Unit. Each NFT Unit comprises of one non flow-through common share ("NFT Share") and one-half of one non flow-through common share purchase warrant, each whole share purchase warrant exercisable to purchase one additional NFT Share at \$0.30 per share in the first year, and \$0.50 per share in the second year. The securities are subject to a hold period and may not be traded until February 4, 2009 except as permitted by Canadian securities legislation and the TSX Venture Exchange.
- b) On October 15, 2008, the Company amended its option agreement with a third party to acquire up to a 100% interest in 15 mineral properties in the vicinity of the Minto and Carmacks (Williams Creek) copper gold deposits. It has been agreed that the \$50,000 cash payment due on October 15, 2008 shall be paid in four equal instalments over six months as follows:

October 15, 2008	\$	12,500 <i>(paid)</i>
December 15, 2008	\$	12,500
February 15, 2008	\$	12,500
April 15, 2008	\$	12,500

The Company also issued 200,000 units, with each unit consisting of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one common share of BCGold up to October 15, 2010 at an exercise price of \$0.50 per common share. Half of these share purchase warrants are subject to a four month hold period with the other half subject to a 12 month hold period. A fair value of \$20,000 has been assigned to these units with \$17,285 being allocated to share capital and \$2,715 being allocated to share purchase warrants.

- c) On October 24, 2008, the Company issued 875,000 incentive stock options exercisable at \$0.20 per share for a period of five years. The options have been granted to certain directors, officers, employees and consultants of the Company.
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**BCGold Corp.**  
**(An Exploration Stage Company)**  
**Interim Schedule of Resource Property Costs**

Schedule

(Unaudited – Prepared by Management)  
Canadian Funds

	For the six months ended August 31, 2008 (Unaudited – Prepared by Management)			For the year ended February 29, 2008 (Audited)		
	Acquisition Costs	Deferred Exploration	Total	Acquisition Costs	Deferred Exploration	Total
<b>Mineral Interests</b>						
<b><i>Carmacks, Copper Gold Project, Yukon</i></b>						
Acquisition costs - cash	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Acquisition costs – shares and warrants	-	-	-	145,968	-	145,968
Claims and staking	6,950	-	<b>6,950</b>	43,696	-	43,696
Analytical and sampling	-	51,485	<b>51,485</b>	-	181,602	181,602
Fieldwork	-	176,622	<b>176,622</b>	-	994,589	994,589
Drilling	-	281,899	<b>281,899</b>	-	215,032	215,032
Geological Consulting	-	73,229	<b>73,229</b>	-	97,266	97,266
	<u>6,950</u>	<u>583,235</u>	<u><b>590,185</b></u>	<u>339,664</u>	<u>1,488,489</u>	<u>1,828,153</u>
<b><i>Engineer Mine, British Columbia</i></b>						
Acquisition costs - cash	-	-	-	125,000	-	125,000
Acquisition costs – shares and warrants	-	-	-	227,263	-	227,263
Claims and Staking	1,785	-	<b>1,785</b>	-	-	-
Analytical and sampling	-	10,559	<b>10,559</b>	-	6,474	6,474
Fieldwork	-	706,722	<b>706,722</b>	-	190,880	190,880
Geological Consulting	-	176,335	<b>176,335</b>	-	79,015	79,015
	<u>1,785</u>	<u>893,616</u>	<u><b>895,401</b></u>	<u>352,263</u>	<u>276,369</u>	<u>628,632</u>
<b><i>Todoggone, British Columbia</i></b>						
Acquisition costs - cash	-	-	-	510	-	510
Acquisition costs – shares and warrants	-	-	-	499,663	-	499,663
Claims and Staking	18,165	-	<b>18,165</b>	-	-	-
Analytical and sampling	-	879	<b>879</b>	-	35,160	35,160
Fieldwork	-	1,369	<b>1,369</b>	-	838,030	838,030
Drilling	-	-	-	-	216,087	216,087
Geological Consulting	-	19,159	<b>19,159</b>	-	150,105	150,105
	<u>18,165</u>	<u>21,407</u>	<u><b>39,572</b></u>	<u>500,173</u>	<u>1,239,382</u>	<u>1,739,555</u>
<b><i>Voigtberg, British Columbia</i></b>						
Acquisition costs – shares and warrants	-	-	-	86,944	-	86,944
Claims and staking	-	-	-	2,873	-	2,873
Airborne geophysics	-	-	-	-	40,320	40,320
Analytical and sampling	-	312	<b>312</b>	-	-	-
Drilling and reporting	-	-	-	-	342,730	342,730
Recovery of resource property costs	-	(5,100)	<b>(5,100)</b>	-	-	-
Geological Consulting	-	-	-	-	139,667	139,667
	<u>-</u>	<u>(4,788)</u>	<u><b>(4,788)</b></u>	<u>89,817</u>	<u>522,717</u>	<u>612,534</u>
<b><i>Other Properties, British Columbia</i></b>						
Acquisition costs - cash	382	-	<b>382</b>	-	-	-
Claims and Staking	-	-	-	33,310	-	33,310
	<u>382</u>	<u>-</u>	<u><b>382</b></u>	<u>33,310</u>	<u>-</u>	<u>33,310</u>
<b>Resource Costs for the Period</b>	<b>27,282</b>	<b>1,493,470</b>	<b>1,520,752</b>	<b>1,315,227</b>	<b>3,526,957</b>	<b>4,842,184</b>
Costs, Beginning of the Period	1,655,010	3,982,567	<b>5,637,577</b>	339,783	455,610	795,393
<b>Balance, End of the Period</b>	<b>\$ 1,682,292</b>	<b>\$ 5,476,037</b>	<b>\$ 7,158,329</b>	<b>\$ 1,655,010</b>	<b>\$ 3,982,567</b>	<b>\$ 5,637,577</b>