



**INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED AUGUST 31, 2012**  
**(Unaudited – Prepared by Management)**  
**(Stated in Canadian Funds Unless Noted Otherwise)**

**NOTICE TO READER**

The attached condensed interim financial statements have been prepared by the management of BCGold Corp. and have not been reviewed by the auditors of BCGold Corp.

**BCGold Corp.**  
**Statements of Financial Position**

(Unaudited – Prepared by Management)  
(Stated in Canadian Funds Unless Noted Otherwise)

<b>ASSETS</b>	<b>As at August 31, 2012</b>	<b>(Audited) As at February 29, 2012</b>
<b>Current assets:</b>		
Cash and cash equivalents <i>(Note 6f)</i>	\$ 320,588	\$ 959,998
Short-term investments	17,250	34,500
Marketable securities <i>(Note 3)</i>	50,000	99,000
Sales tax and other receivables	54,702	33,980
Prepaid expenses	20,483	12,318
	<b>463,023</b>	<b>1,139,796</b>
<b>Non-current assets:</b>		
Deposits	64,818	64,818
Property and equipment	32,659	37,086
Reclamation bonds <i>(Note 4)</i>	83,800	83,800
Exploration and evaluation assets <i>(Note 5 and 10a)</i>	1,711,924	1,736,924
<b>TOTAL ASSETS</b>	<b>\$ 2,356,224</b>	<b>\$ 3,062,424</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities <i>(Note 7a)</i>	\$ 117,659	\$ 64,661
<b>TOTAL LIABILITIES</b>	<b>117,659</b>	<b>64,661</b>
<b>Equity:</b>		
Share capital <i>(Note 6a and 10a)</i>	13,678,744	13,615,169
Share-based payments reserve	3,753,414	3,737,429
Accumulated other comprehensive loss	(228,750)	(184,250)
Deficit	(14,964,843)	(14,170,585)
<b>TOTAL EQUITY</b>	<b>2,238,565</b>	<b>2,997,763</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,356,224</b>	<b>\$ 3,062,424</b>

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

**Commitments** *(Notes 6f and 9)*

**Subsequent Events** *(Note 10)*

Approved by the Board of Directors:

“*Brian Fowler*” \_\_\_\_\_, Director

“*Guy Le Bel*” \_\_\_\_\_, Director

- See Accompanying Notes to the Interim Financial Statements -

**BCGold Corp.**  
**Statements of Loss and Comprehensive Loss**

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

	For the three months ended August 31, 2012	For the three months ended August 31, 2011	For the six months ended August 31, 2012	For the six months ended August 31, 2011
<b>Expenses:</b>				
Corporate listing and filing fees	\$ 9,669	\$ 16,880	\$ 11,112	\$ 18,977
Depreciation	2,214	6,029	4,427	10,875
Exploration and evaluation expenses <i>(Note 5)</i>	336,543	607,770	510,916	672,281
Investor relations	7,188	11,144	10,069	24,666
Office expenses	12,534	21,834	28,692	45,540
Professional fees	1,700	6,982	2,018	10,723
Rent	13,306	10,283	26,322	21,614
Share-based compensation <i>(Note 6d)</i>	1,508	46,876	6,385	134,925
Travel	1,960	393	13,690	13,196
Wages and consulting fees	88,351	143,339	213,354	279,447
<b>Loss from operations</b>	<b>(474,973)</b>	<b>(871,530)</b>	<b>(826,985)</b>	<b>(1,232,244)</b>
<b>Finance income:</b>				
Interest and other income	354	2,509	775	2,794
<b>Total finance income</b>	<b>354</b>	<b>2,509</b>	<b>775</b>	<b>2,794</b>
<b>Non-operating income:</b>				
Gain on sale of marketable securities	-	-	31,952	-
<b>Total non-operating income</b>	<b>-</b>	<b>-</b>	<b>31,952</b>	<b>-</b>
<b>Net loss for the period</b>	<b>(474,619)</b>	<b>(869,021)</b>	<b>(794,258)</b>	<b>(1,229,450)</b>
Unrealized loss on marketable securities	(12,500)	-	(44,500)	(1,500)
<b>Comprehensive loss for the period</b>	<b>\$ (487,119)</b>	<b>\$ (869,021)</b>	<b>\$ (838,758)</b>	<b>\$ (1,230,950)</b>
<b>Weighted average number of shares outstanding</b>	<b>98,816,859</b>	<b>82,599,803</b>	<b>98,759,794</b>	<b>82,599,803</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>

- See Accompanying Notes to the Interim Financial Statements -

**BCGold Corp.**  
**Statements of Cash Flows**

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

	For the six months ended August 31, 2012	For the six months ended August 31, 2011
<b>Operating Activities:</b>		
Net loss for the period	\$ (794,258)	\$ (1,229,450)
Adjustment for items which do not involve cash:		
Depreciation	4,427	10,875
Gain on sale of marketable securities	(31,952)	-
Share-based compensation	6,385	134,925
	<b>(815,398)</b>	<b>(1,083,650)</b>
Changes in non-cash working capital components:		
Sales tax and other receivables	(20,722)	(32,796)
Prepaid expenses	(8,165)	(53,202)
Accounts payable and accrued liabilities	52,998	36,425
<b>Cash used in operating activities</b>	<b>(791,287)</b>	<b>(1,133,223)</b>
<b>Investing Activities:</b>		
Deposits	-	9,571
Short-term investments	17,250	50,000
Proceeds from sale of marketable securities	36,452	-
Purchase of property and equipment	-	(22,555)
Exploration and evaluation assets	25,000	-
<b>Cash provided by investing activities</b>	<b>78,702</b>	<b>37,016</b>
<b>Financing Activities:</b>		
Issuance of common shares and warrants, net	73,175	1,403,938
<b>Cash provided by financing activities</b>	<b>73,175</b>	<b>1,403,938</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(639,410)</b>	<b>307,731</b>
<b>Cash and cash equivalents - beginning of the period</b>	<b>959,998</b>	<b>1,419,320</b>
<b>Cash and cash equivalents - end of the period</b>	<b>\$ 320,588</b>	<b>\$ 1,727,051</b>
<b>Cash and cash equivalents consist of the following:</b>		
Cash	\$ 320,588	\$ 1,727,051
Guaranteed investment certificates	-	-
<b>Total cash and cash equivalents</b>	<b>\$ 320,588</b>	<b>\$ 1,727,051</b>

- See Accompanying Notes to the Interim Financial Statements -

**BCGold Corp.**  
**Statements of Changes in Equity**

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

	SHARE CAPITAL		SHARE-BASED	ACCUMULATED	DEFICIT	TOTAL
	SHARES	AMOUNT	PAYMENTS	OTHER		EQUITY
			RESERVE	COMPREHENSIVE		
				LOSS		
Balance – March 1, 2011	82,599,803	\$ 12,043,029	\$ 3,243,346	\$ (168,250)	\$ (11,837,183)	\$ 3,280,942
Flow-through common shares issued	10,053,663	1,206,440	-	-	-	1,206,440
Non flow-through common shares issued	2,660,000	266,000	-	-	-	266,000
Fair value of warrants issued	-	(126,112)	126,112	-	-	-
Fair value of broker's options	-	(15,033)	15,033	-	-	-
Fair value of broker's warrants	-	(595)	595	-	-	-
Share issuance costs	-	(68,502)	-	-	-	(68,502)
Warrant issuance costs	-	7,247	(7,247)	-	-	-
Share-based compensation	-	-	134,925	-	-	134,925
Unrealized loss on marketable securities	-	-	-	(1,500)	-	(1,500)
Net loss for the period	-	-	-	-	(1,229,450)	(1,229,450)
<b>Balance – August 31, 2011</b>	<b>95,313,466</b>	<b>\$ 13,312,474</b>	<b>\$ 3,512,764</b>	<b>\$ (169,750)</b>	<b>\$ (13,066,633)</b>	<b>\$ 3,588,855</b>
Balance – March 1, 2012	98,702,729	\$ 13,615,169	\$ 3,737,429	\$ (184,250)	\$ (14,170,585)	\$ 2,997,763
Non flow-through common shares issued	1,500,000	75,000	-	-	-	75,000
Fair value of warrants issued	-	(9,839)	9,839	-	-	-
Share issuance costs	-	(1,825)	-	-	-	(1,825)
Warrant issuance costs	-	239	(239)	-	-	-
Share-based compensation	-	-	6,385	-	-	6,385
Unrealized loss on marketable securities	-	-	-	(44,500)	-	(44,500)
Net loss for the period	-	-	-	-	(794,258)	(794,258)
<b>Balance – August 31, 2012</b>	<b>100,202,729</b>	<b>\$ 13,678,744</b>	<b>\$ 3,753,414</b>	<b>\$ (228,750)</b>	<b>\$ (14,964,843)</b>	<b>\$ 2,238,565</b>

- See Accompanying Notes to the Interim Financial Statements -

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

### 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, 10<sup>th</sup> Floor, Vancouver, British Columbia, Canada, V6C 2T5.

While these 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 \$14,964,843 at August 31, 2012. 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 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. Basis of Presentation

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”). These interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual audited financial statements. Accordingly, they should be read in conjunction with the Company’s most recent annual audited financial statements. The policies applied in these interim financial statements are based on IFRS issued and outstanding as of October 29, 2012, the date the Board of Directors approved the financial statements.

### 3. Marketable Securities

Marketable securities have been classified as available-for-sale investments consisting of various common shares held by the Company of other public companies and are summarized as follows:

	August 31, 2012		February 29, 2012	
	Market Value	Cost	Market Value	Cost
Common shares of public companies, not subject to significant influence	\$ 50,000	\$ 278,750	\$ 99,000	\$ 283,250

# BCGold Corp.

## Notes to the Interim Financial Statements

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### 4. Reclamation Bonds

As of August 31, 2012, the Company has invested a total \$83,800 (February 29, 2012 - \$83,800) 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 0.90% to 0.95%.

### 5. Exploration and Evaluation Assets

Details of the Company's exploration and evaluation acquisition costs are as follows:

	Minto/Carmacks Copper-Gold Properties (Yukon)	Engineer (B.C.)	Gold Hill (B.C.)	Voigtberg (B.C.)	Other Properties (B.C. & Yukon)	Total
Balance - March 1, 2011	\$ 551,334	\$ 696,263	\$ 22,000	\$ 169,944	\$ 383	\$ 1,439,924
Acquisition costs - cash	-	10,000	25,000	-	47,000	82,000
Acquisition costs - shares and warrants	-	200,000	-	-	15,000	215,000
Balance – February 29, 2012	\$ 551,334	\$ 906,263	\$ 47,000	\$ 169,944	\$ 62,383	\$ 1,736,924
Property option payment received – cash (Note 5c)	(25,000)	-	-	-	-	(25,000)
<b>Balance – August 31, 2012</b>	<b>\$ 526,334</b>	<b>\$ 906,263</b>	<b>\$ 47,000</b>	<b>\$ 169,944</b>	<b>\$ 62,383</b>	<b>\$ 1,711,924</b>

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

	Minto/Carmacks Copper-Gold Properties (Yukon)	Engineer (B.C.)	Gold Hill (B.C.)	Voigtberg (B.C.) *	Other Properties (B.C. & Yukon)	Total
Balance - March 1, 2011	\$ 3,922,822	\$ 1,985,506	\$ -	\$ 875,035	\$ 1,167,843	\$ 7,951,206
Exploration and evaluation expenses (recovery) **	(82,438)	485,254	189,324	3,960	15,296	611,396
Balance – August 31, 2011	\$ 3,840,384	\$ 2,470,760	\$ 189,324	\$ 878,995	\$ 1,183,139	\$ 8,562,602
Balance - March 1, 2012	\$ 3,872,870	\$ 2,864,323	\$ 213,985	\$ 880,062	\$ 1,201,481	\$ 9,032,721
Exploration and evaluation expenses **	40,422	276,920	67,399	336	125,164	510,241
<b>Balance – August 31, 2012</b>	<b>\$ 3,913,292</b>	<b>\$ 3,141,243</b>	<b>\$ 281,384</b>	<b>\$ 880,398</b>	<b>\$ 1,326,645</b>	<b>\$ 9,542,962</b>

\* As of August 31, 2012, the Company incurred \$1,017,234 in exploration and evaluation expenses on the Voigtberg property. This amount has been offset by \$136,836 in BC METC ("British Columbia Mining Exploration Tax Credit").

\*\* As per the Statement of Loss and Comprehensive Loss, the Company incurred \$510,916 (August 31, 2011 – \$672,281) in exploration and evaluation expenses. Of this amount, \$510,241 (August 31, 2011 - \$611,396) was incurred as a result of exploration on the Company's respective properties as per the table above and \$675 (August 31, 2011 - \$60,885) was incurred as a result of general exploration.

#### a) Engineer Mine Property, 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);

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

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### 5. Exploration and Evaluation Assets – Continued

#### a) Engineer Mine Property, B.C. – Continued

- 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 and 2012 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 (Note 10a) – fair value of \$150,000 for the shares and \$7,108 for the warrants*);
- An additional 15% interest (*earned*) by paying \$200,000 or issuing \$200,000 of value in shares and 100,000 warrants by January 16, 2012 (*issued 2,105,263 shares (Note 10a) – fair value of \$194,875 for the shares and \$5,125 for the warrants*); 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 (*issued*). (*earned – please see Note 10a, “Subsequent Events”*);

The Company currently holds a 100% interest (*please see Note 10a, “Subsequent Events”*) and since earning the 100% interest, the Company may now purchase the remaining interest in the surface rights at fair value subject to a maximum of \$500,000 (*please see Note 10b, “Subsequent Events”*). 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%.

On June 20, 2012, the Company received \$107,648 from the sale of gold concentrate which was derived from the Company's bulk sampling program at its Engineer Mine property in the 2011 calendar year.

#### b) 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:



# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

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### 5. Exploration and Evaluation Assets – *Continued*

#### b) Gold Hill Property, B.C. – *Continued*

- Making \$110,000 in staged cash payments (*paid - \$60,000 to date*);
- 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:

	<u>Amount</u>	<u>Date</u>
i)	\$ 100,000	to September 30, 2011 ( <i>incurred</i> )
ii)	133,333	to September 30, 2012 ( <i>incurred</i> )
iii)	133,333	to September 30, 2013
iv)	133,334	to September 30, 2014
	<u>\$ 500,000</u>	

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.

#### c) 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.V (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 August 31, 2012, all of the 500,000 warrants issued have expired without exercise.

An NSR of 1.75% applies to the mineral properties of which 1.25% can be purchased by the Company for \$1,500,000.

#### Toe Property

In August 2012, the Company entered into a letter agreement with Kaiyue International Inc. (“Kaiyue”) whereby Kaiyue can earn up to a 70% interest in the Company's 100% controlled Toe Property in the Yukon.

Kaiyue can earn a 60% interest in the Toe Property over a four year period by making \$255,000 in cash payments (*received \$25,000 to date*), incurring \$1,900,000 in exploration expenditures and issuing 400,000 common shares of Kaiyue to the Company. Kaiyue can earn an additional 10% interest in the Toe Property by completing a feasibility study.

The Toe Property is subject to a 2.5% NSR held by the Company and a third party.

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

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### 5. Exploration and Evaluation Assets – *Continued*

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

This transaction is subject to regulatory approval and to a definitive agreement being entered into by Kaiyue and BCGold which was finalized and executed subsequent to the period ended August 31, 2012.

The previous letter agreement between Pacific-Link Capital Inc. and the Company, which was entered into in March 2012, has been terminated.

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### 6. 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 August 2012*

On August 24, 2012, the Company closed a non-brokered private placement of 1,500,000 non flow-through units at a price of \$0.05 per non flow-through unit for gross proceeds of \$75,000.

Each non flow-through unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at \$0.10 per share for a period of two years from the date of issuance. Finder's fees of \$700 were paid in cash.

The warrants attached to this private placement have been valued at \$9,600 (\$9,839 net of warrant issuance costs of \$239) based upon the Black-Scholes Method using the following assumptions noted below.

<b>Assumptions</b>	
Risk-free interest rate	0.98%
Expected stock price volatility	112%
Expected dividend yield	0.00%
Expected life of warrants	2 years

##### *Private Placement August 2011*

On August 31, 2011, the Company closed a non-brokered private placement of 10,053,663 flow-through units at a price of \$0.12 per flow-through unit and 2,660,000 non flow-through units at a price of \$0.10 per non flow-through unit for aggregate gross proceeds of \$1,472,440.

Each flow-through unit comprises of one flow-through or one BC super flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at \$0.30 per share for a period of one year from the date of issuance.

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

### 6. Equity – Continued

#### b) Private Placements – Continued

##### *Private Placement August 2011 – 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 \$0.20 per share for a period of one year from the date of issuance. Finder's fees of \$60,390 were paid in cash. The warrants attached to this private placement have been valued at \$118,865 (\$126,112 net of warrant issuance costs of \$7,247) based upon the Black-Scholes Method using the following assumptions noted below.

<b>Assumptions</b>	
Risk-free interest rate	1.47%
Expected stock price volatility	114%
Expected dividend yield	0.00%
Expected life of warrants	1 year

In connection with this private placement, the Company issued 333,333 broker's options and 24,000 broker's warrants. Each broker's option entitles the holder to purchase one additional unit comprised of one non flow-through common share at a price of \$0.12 per share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable at a price of \$0.30 per share for a period of one year from the date of issuance. The broker's warrants are exercisable as follows: 12,000 at a price of \$0.20 per share for a period of one year from the date of issuance and 12,000 at a price of \$0.30 per share for a period of one year from the date of issuance. The broker's options have been valued at \$15,033 and the broker's warrants have been valued at \$595 based upon the Black-Scholes Method using the same assumptions noted above. The Company has recorded the fair value of these broker's options and warrants as share issuance costs.

#### c) Share Purchase and Agents Warrants

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – March 1, 2011	18,018,619	\$0.21
Issued	7,047,831	\$0.27
Expired	(11,523,100)	\$0.16
Balance – February 29, 2012	13,543,350	\$0.29
Issued	750,000	\$0.10
Expired	(10,328,331)	\$0.29
<b>Balance – August 31, 2012</b>	<b>3,965,019</b>	<b>\$0.25</b>

At August 31, 2012, the following warrants are outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
September 28, 2012 *	\$0.20	250,000	\$ 4,579
September 28, 2012 *	\$0.30	317,000	3,843
October 28, 2012 *	\$0.30	2,473,019	157,650
January 16, 2013	\$0.14	75,000	7,108
January 12, 2014	\$0.12	100,000	5,125
August 24, 2014	\$0.10	750,000	9,600
<b>Weighted Average</b>	<b>\$0.25</b>	<b>3,965,019</b>	<b>\$ 187,905</b>

\* Expired without exercise subsequent to the period ended August 31, 2012.

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

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### 6. Equity – *Continued*

#### c) Share Purchase and Agents Warrants – *Continued*

The above noted fair value of \$187,905 is included in share-based payments reserve in the Company's Statement of Financial Position at August 31, 2012.

#### 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.V, 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.

#### Fiscal year ended February 29, 2012 - Grants

On October 28, 2011, the Company granted 2,000,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at \$0.10 per share and expire on October 28, 2016. Of these options, 1,770,000 vested immediately and 230,000 are subject to vesting criteria such that 25% shall vest every three months from the date of grant. The corresponding share-based compensation expense amounted to \$188,434, which was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

<b>Assumptions</b>	
Risk-free interest rate	1.30%
Expected stock price volatility	168%
Expected dividend yield and forfeiture	0.00%
Expected life of options	5 years

Of the \$188,434 in share-based compensation expense, \$180,199 was recognized during the fiscal year ended February 29, 2012, \$6,385 has been recognized during the six months ended August 31, 2012 and the remaining \$1,850 will be recognized during the remaining six months of the fiscal year ended February 28, 2013. The weighted average fair value of these options was \$0.09.

#### 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

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

### 6. Equity – Continued

#### d) Stock Options – Continued

##### Fiscal year ended February 28, 2011 – Grants – Continued

date of grant. The corresponding share-based compensation expense amounted to \$231,668, which was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

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

Of the \$231,668 in share-based compensation expense, \$65,824 was recognized during the fiscal year ended February 28, 2011, \$134,925 was recognized during the six months ended August 31, 2011 and the remaining \$30,919 was recognized during the remaining six months of the fiscal year ended February 29, 2012. The weighted average fair value of these options was \$0.12.

At August 31, 2012, 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
October 24, 2013	\$0.20	670,000	1.15	670,000
January 11, 2015 *	\$0.10	1,250,000	2.36	1,250,000
January 11, 2016 *	\$0.15	1,810,000	3.36	1,810,000
October 28, 2016	\$0.10	1,785,000	4.16	1,740,000
	<b>\$0.13</b>	<b>5,515,000</b>	<b>3.13</b>	<b>5,470,000</b>

\* Subsequent to the period ended August 31, 2012, 50,000 incentive stock options were forfeited.

During the six months ended August 31, 2012, 546,000 incentive stock options with an exercise price of \$0.70 expired without exercise. Also during the six months ended August 31, 2012, 85,000 incentive stock options with an exercise price of \$0.20, 150,000 incentive stock options with an exercise price of \$0.15 and 610,000 incentive stock options with an exercise price of \$0.10 were forfeited.

#### e) Broker's Options and Warrants

On August 31, 2012, 333,333 broker's options, with an exercise price of \$0.12, expired without exercise. These broker's options were granted in connection with the August 2011 private placement. The fair value of these broker's options of \$15,033 was recorded as share issuance costs with the offsetting entry being recorded in share-based payments reserve.

#### f) Flow-Through Shares

##### Fiscal Year Ended February 29, 2012

During the fiscal year ended February 29, 2012, the Company issued 10,687,663 flow-through common shares for total proceeds of \$1,281,451. These funds must be used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2011. The unspent balance of these flow-through issuances as at August 31, 2012 was \$221,205 which must be spent by December 31, 2012. The remaining \$99,383 of the Company's cash and cash equivalents balance of \$320,588 at August 31, 2012 is to be used for corporate and administrative expenses.

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

### 6. Equity – Continued

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

##### Fiscal Year Ended February 28, 2011

During the fiscal 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 total proceeds of these flow-through issuances have been spent by the required deadline of December 31, 2011.

### 7. 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 and a company owned by the Chief Financial Officer. The nature of transactions and relationships is as follows:

	Nature of Transactions
President and CEO	Management
O'Brien Geological Consulting Inc.	Management
Larry M. Okada Inc.	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	August 31, 2012	August 31, 2011
Management fees	(i)	\$ 202,500	\$ 202,500
<b>Total Management Fees</b>	(ii)	<b>\$ 202,500</b>	<b>\$ 202,500</b>

- (i) During the six months ended August 31, 2012, the Company paid consulting fees to its President and Chief Executive Officer. The total amount paid was \$43,750 (August 31, 2011 - \$87,500) and \$43,750 (August 31, 2011 - \$Nil) has been accrued. The Company paid fees to a private company controlled by its Vice President of Exploration for consulting services. The total amount paid during the six months ended August 31, 2012 was \$85,000 (August 31, 2011 - \$85,000). The Company also paid fees to a private company controlled by its Chief Financial Officer for consulting services. The total amount paid during the six months ended August 31, 2012 was \$15,000 (August 31, 2011 - \$30,000) and \$15,000 (August 31, 2011 - \$Nil) has been accrued.
- (ii) Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Included in accounts payable and accrued liabilities at August 31, 2012 is \$48,771 (February 29, 2012 - \$Nil) owing to the Company's President and Chief Executive Officer; \$Nil (February 29, 2012 - \$17,279) owing to the Company's Vice President of Exploration; and \$16,862 (February 29, 2012 - \$Nil) owing to the Company's Chief Financial Officer.

# BCGold Corp.

## Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Funds Unless Noted Otherwise)

### 7. Related Party Transactions – *Continued*

#### b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the six months ended August 31, 2012 and August 31, 2011 were as follows:

	Note	August 31, 2012	August 31, 2011
Management fees	(i)	\$ 202,500	\$ 202,500
Share-based compensation	(ii)	-	92,921
		\$ 202,500	\$ 295,421

(i) Management fees include the fees disclosed in Note 7(a) above. The Company did not pay any director's fees during the six months ended August 31, 2012 and 2011.

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

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the six months ended August 31, 2012 and 2011.

### 8. 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.

### 9. Commitments

Effective May 1, 2011, the Company entered into a lease agreement for office space at approximately \$11,500 per month (\$138,000 annually). The Company concurrently subleases a portion of the office space to three other companies resulting in a net rental cost of approximately \$4,000 per month (\$48,000 annually). Two of the three other companies have the right to terminate their sublease agreements with six months written notice and the one other company has the right to terminate its sublease agreement with twelve months written notice. The Company has the right to assign the lease to two of the three other companies at the Company's then cost for the office space. The lease has an expiry date of April 30, 2016.

### 10. Subsequent Events

a) Under the terms of the Company's Engineer Mine Property Agreement (the "Agreement"), Note 5(a), the Company issued 1,200,000 and 2,105,263 shares in January 2011 and January 2012, respectively, to earn an additional 11% and 15% interest in the subject mineral property.

The shares noted were issued based on a 20 day average trading price for the shares on the TSX.V. However, the amended Agreement in 2007 required the shares to be issued at a floor price of \$0.44 per share. The shares issued were recorded in the financial statements on the 20 day average trading price.

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## Notes to the Interim Financial Statements

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### 10. Subsequent Events – Continued

Because the 20 day average trading price was less than the floor price, the Company issued 2,509,809 shares too many. Upon discovery of the over issuance of shares the optionor for the property was contacted and 1,600,718 shares were returned to treasury for cancellation. This cancellation occurred on September 19, 2012. Details of the share issuances are as follows:

Over issuance of shares	2,509,809
Over issuance of shares kept by the optionor for the 2013 payment *	(909,091)
Shares returned to treasury and cancelled	1,600,718

\* The Agreement allowed for the acceleration of the 2013 payment and thus the Company has now earned a 100% interest in the Engineer Mine property.

The financial impact of this over issuance of common shares is as follows:

Upon the return of the shares to treasury for cancellation, both exploration and evaluation assets and share capital will be reduced by \$264,204 to properly reflect fair value. The issued and outstanding common shares of the Company of 100,202,729 have also been reduced by 1,600,718 to reflect the return of these common shares to treasury. The Company now has 98,602,011 issued and outstanding common shares.

- b) Subsequent to the period end, the Company entered into a letter agreement with Engineer Mining Corp. ("EMC") to purchase the following items for total cash consideration of \$300,000 payable to EMC no later than May 15, 2013:
- The fully permitted 30-tonne-per-day gravity separation mill, a 931 Caterpillar crawler loader, a 10-tonne dump truck, and ancillary equipment at Engineer Mine;
  - The 30% Net Profits Interest Royalty on a high-grade gold shoot on the Double Decker Vein between mine levels five and eight; and
  - The option to purchase the Engineer Mine property surface rights in three equal annual payments over a three year period commencing April 16, 2016, at a fair market value of no more than \$500,000 (this item is an amendment to a previous agreement with EMC);
- c) All other subsequent events have been disclosed elsewhere in the body of the notes to these interim financial statements, in particular, notes 5b, 5c, 6c and 6d.
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