INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED NOVEMBER 30, 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)

ASSETS		As at November 30, 2012		*(Audited)* As at February 29, 2012
Current assets:				
Cash and cash equivalents	**$**	**50,302**	$	959,998
Short-term investments		**17,250**		34,500
Marketable securities *(Note 3)*		**62,000**		99,000
Sales tax and other receivables		**64,835**		33,980
Prepaid expenses		**25,128**		12,318
		219,515		1,139,796
Non-current assets:				
Deposits		**64,818**		64,818
Property and equipment		**30,446**		37,086
Reclamation bonds *(Note 4)*		**83,800**		83,800
Exploration and evaluation assets *(Note 5)*		**1,456,720**		1,736,924
TOTAL ASSETS	**$**	**1,855,299**	$	3,062,424

LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities *(Note 7a)*	**$**	**275,138**	$	64,661
TOTAL LIABILITIES		**275,138**		64,661
Equity:				
Share capital *(Note 6a)*		**13,413,081**		13,615,169
Share-based payments reserve		**3,754,685**		3,737,429
Accumulated other comprehensive loss		**(188,150)**		(184,250)
Deficit		**(15,399,455)**		(14,170,585)
TOTAL EQUITY		**1,580,161**		2,997,763
TOTAL LIABILITIES AND EQUITY	**$**	**1,855,299**	$	3,062,424

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 November 30, 2012	For the three months ended November 30, 2011	**For the nine months ended November 30, 2012**	For the nine months ended November 30, 2011
Expenses:				
Corporate listing and filing fees	**$ 13,502**	$ 1,825	**$ 24,614**	$ 20,802
Depreciation	**2,213**	2,959	**6,640**	13,834
Exploration and evaluation expenses *(Note 5)*	**231,540**	383,563	**742,456**	1,055,844
Investor relations	**1,727**	12,645	**11,796**	37,311
Office expenses	**12,872**	15,311	**41,564**	60,851
Professional fees	**17,383**	637	**19,401**	11,360
Rent	**13,307**	8,702	**39,629**	30,316
Share-based compensation *(Note 6d)*	**672**	194,548	**7,057**	329,473
Travel	**611**	11,683	**14,301**	24,879
Wages and consulting fees	**106,011**	130,418	**319,365**	409,865
Loss from operations	**(399,838)**	(762,291)	**(1,226,823)**	(1,994,535)
Finance income (expenses):				
Interest and other income	**26**	33	**801**	2,827
Interest expense	**-**	(3,997)	**-**	(3,997)
Total finance income (expenses)	**26**	(3,964)	**801**	(1,170)
Non-operating expenses:				
Loss on sale of marketable securities, net	**34,800**	-	**2,848**	-
Total non-operating expenses	**(34,800)**	-	**(2,848)**	-
Net loss for the period	**(434,612)**	(766,255)	**(1,228,870)**	(1,995,705)
Unrealized gain (loss) on marketable securities	**40,600**	(36,300)	**(3,900)**	(37,800)
Comprehensive loss for the period	**$ (394,012)**	$ (802,555)	**$ (1,232,770)**	$ (2,033,505)
Weighted average number of shares outstanding	**9,893,623**	9,608,608	**9,881,818**	8,706,253
Basic and diluted loss per share	**$ (0.04)**	$ (0.08)	**$ (0.12)**	$ (0.23)

- 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 nine months ended November 30, 2012	For the nine months ended November 30, 2011
Operating Activities:		
Net loss for the period	**$ (1,228,870)**	$ (1,995,705)
Adjustment for items which do not involve cash:		
Depreciation	**6,640**	13,834
Loss on sale of marketable securities, net	**2,848**	-
Share-based compensation	**7,057**	329,473
	(1,212,325)	(1,652,398)
Changes in non-cash working capital components:		
Sales tax and other receivables	**(21,055)**	(952)
Prepaid expenses	**(12,810)**	(58,896)
Accounts payable and accrued liabilities	**210,477**	(54,922)
Cash used in operating activities	**(1,035,713)**	(1,767,168)
Investing Activities:		
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)
Cash provided by investing activities	**53,702**	12,016
Financing Activities:		
Issuance of common shares and warrants, net	**72,315**	1,521,030
Cash provided by financing activities	**72,315**	1,521,030
Net decrease in cash and cash equivalents	**(909,696)**	(234,122)
Cash and cash equivalents - beginning of the period	**959,998**	1,419,320
Cash and cash equivalents - end of the period	**$ 50,302**	$ 1,185,198
Cash and cash equivalents consist of the following:		
Cash	**$ 50,302**	$ 1,185,198
Guaranteed investment certificates	**-**	-
Total cash and cash equivalents	**$ 50,302**	$ 1,185,198
Supplemental Schedule of Non-Cash Investing Activities:		
Fair value of shares received – property option payment/marketable securities	**$ 16,000**	$ -

- 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 SHARES		AMOUNT		SHARE-BASED PAYMENTS RESERVE		ACCUMULATED OTHER COMPREHENSIVE LOSS		DEFICIT		TOTAL EQUITY
Balance – March 1, 2011	8,259,980	$	12,043,029	$	3,243,346	$	(168,250)	$	(11,837,183)	$	3,280,942
Flow-through common shares issued	1,068,766		1,266,670		-		-		-		1,266,670
Non flow-through common shares issued	316,000		316,000		-		-		-		316,000
Fair value of warrants issued	-		(135,262)		135,262		-		-		-
Fair value of broker's options	-		(15,033)		15,033		-		-		-
Fair value of broker's warrants	-		(595)		595		-		-		-
Share issuance costs	-		(77,490)		-		-		-		(77,490)
Warrant issuance costs	-		7,975		(7,975)		-		-		-
Share-based compensation	-		-		329,473		-		-		329,473
Unrealized loss on marketable securities	-		-		-		(37,800)		-		(37,800)
Net loss for the period	-		-		-		-		(1,995,705)		(1,995,705)
Balance – November 30, 2011	**9,644,746**	**$**	**13,405,294**	**$**	**3,715,734**	**$**	**(206,050)**	**$**	**(13,832,888)**	**$**	**3,082,090**
Balance – March 1, 2012	9,870,272	$	13,615,169	$	3,737,429	$	(184,250)	$	(14,170,585)	$	2,997,763
Non flow-through common shares issued	150,000		75,000		-		-		-		75,000
Fair value of warrants issued	-		(10,438)		10,438		-		-		-
Share issuance costs	-		(2,685)		-		-		-		(2,685)
Warrant issuance costs	-		239		(239)		-		-		-
Shares returned to treasury	(160,071)		(264,204)		-		-		-		(264,204)
Share-based compensation	-		-		7,057		-		-		7,057
Unrealized loss on marketable securities	-		-		-		(3,900)		-		(3,900)
Net loss for the period	-		-		-		-		(1,228,870)		(1,228,870)
Balance – November 30, 2012	**9,860,201**	**$**	**13,413,081**	**$**	**3,754,685**	**$**	**(188,150)**	**$**	**(15,399,455)**	**$**	**1,580,161**

- See Accompanying Notes to the Interim Financial Statements -

(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, 10th 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 $15,399,455 at November 30, 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 January 28, 2013, the date the Board of Directors approved the financial statements.

Effective November 5, 2012, the Company consolidated its share capital, stock options and share purchase warrants on a 10-to-1 basis. All references to share capital, stock options and share purchase warrants have been consolidated on this basis in these financial statements and notes thereto for the current period and all prior periods.

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:

	November 30, 2012		February 29, 2012	
	Market Value	**Cost**	Market Value	Cost
Common shares of public companies, not subject to significant influence	**$ 62,000**	**$ 250,150**	$ 99,000	$ 283,250

(Stated in Canadian Funds Unless Noted Otherwise)

4. Reclamation Bonds

As of November 30, 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 paid (received) – cash *(Notes 5b & 5c)*	(25,000)	-	25,000	-	-	-
Shares returned to treasury *(Note 5a)*	-	(264,204)	-	-	-	(264,204)
Property option payment received – shares *(Note 5c)*	(16,000)	-	-	-	-	(16,000)
Balance – November 30, 2012	**$ 510,334**	**$ 642,059**	**$ 72,000**	**$ 169,944**	**$ 62,383**	**$ 1,456,720**

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) **	(71,408)	806,802	210,647	12,184	21,245	979,470
Balance – November 30, 2011	$ 3,851,414	$ 2,792,308	$ 210,647	$ 887,219	$ 1,189,088	$ 8,930,676
Balance - March 1, 2012	$ 3,872,870	$ 2,864,323	$ 213,985	$ 880,062	$ 1,201,481	$ 9,032,721
Exploration and evaluation expenses **	50,772	435,760	90,757	336	164,156	741,781
Balance – November 30, 2012	**$ 3,923,642**	**$ 3,300,083**	**$ 304,742**	**$ 880,398**	**$ 1,365,637**	**$ 9,774,502**

** As of November 30, 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 $742,456 (November 30, 2011 – $1,055,844) in exploration and evaluation expenses. Of this amount, $741,781 (November 30, 2011 - $979,470) was incurred as a result of exploration on the Company's respective properties as per the table above and $675 (November 30, 2011 - $76,374) was incurred as a result of general exploration.*

5. Exploration and Evaluation Assets *– Continued*

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)*;
- Issuing an aggregate of 25,000 common shares *(issued – fair value of $147,500)* and 25,000 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, 2012 and 2013 payments 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 120,000 common shares of which 40,000 shares will be issued upon approval from the TSX.V *(issued – fair value of $24,000)* and 40,000 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 7,500 warrants by January 16, 2011 *(issued 120,000 shares – 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 10,000 warrants by January 16, 2012 *(issued 210,526 shares – 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 10,000 warrants by January 16, 2013 *(issued – fair value of $599 for the warrants);*

* Under the terms of the Company's Engineer Mine Property Agreement (the "Agreement"), the Company issued 120,000 and 210,526 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 $4.40 per share. The shares issued were recorded in the financial statements on the 20 day average trading price.

Because the 20 day average trading price was less than the floor price, the Company issued 250,980 shares too many. Upon discovery of the over issuance of shares the optionor for the property was contacted and 160,071 shares were returned to treasury for cancellation. This cancellation occurred on September 19, 2012.

(Stated in Canadian Funds Unless Noted Otherwise)

5. Exploration and Evaluation Assets *– Continued*

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

Details of the share issuances are as follows:

Over issuance of shares	250,980
Over issuance of shares kept by the optionor for the 2013 payment *	(90,909)
Shares returned to treasury and cancelled	160,071

* *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 were reduced by $264,204 to properly reflect fair value. On September 19, 2012, the issued and outstanding common shares of the Company of 10,020,272 were reduced by 160,071 to reflect the return of these common shares to treasury. Consequently at November 30, 2012, the Company had 9,860,201 issued and outstanding common shares.

After 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. 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 floor price $5.50 per share.

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.

On September 20, 2012, 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);

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:

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

(Stated in Canadian Funds Unless Noted Otherwise)

5. Exploration and Evaluation Assets *– Continued*

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

- Issuing 10,000 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 *(incurred)*
ii)		133,333	to September 30, 2012 *(incurred)*
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.

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 100,000 units between April 2007 and October 2010.

The 100,000 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 $5.00. 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 November 30, 2012, all of the 50,000 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 *(received 100,000 shares to date – fair value of $16,000)*. 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.

(Stated in Canadian Funds Unless Noted Otherwise)

5. Exploration and Evaluation Assets – *Continued*

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

This transaction was subject to a definitive agreement being entered into by Kaiyue and BCGold which was finalized and executed on October 15, 2012.

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

6. Equity

Effective November 5, 2012, the Company consolidated its share capital, stock options and share purchase warrants on a 10-to-1 basis.

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 150,000 non flow-through units at a price of $0.50 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 $1.00 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.

Assumptions	
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 1,005,366 flow-through units at a price of $1.20 per flow-through unit and 266,000 non flow-through units at a price of $1.00 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 $3.00 per share for a period of one year from the date of issuance.

(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 $2.00 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.

Assumptions	
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 33,333 broker's options and 2,400 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 $1.20 per share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable at a price of $3.00 per share for a period of one year from the date of issuance. The broker's warrants are exercisable as follows: 1,200 at a price of $2.00 per share for a period of one year from the date of issuance and 1,200 at a price of $3.00 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.

Private Placement September 2011

On September 29, 2011, the Company closed a non-brokered private placement of 63,400 flow-through units at a price of $1.20 per flow-through unit and 50,000 non flow-through units at a price of $1.00 per non flow-through unit for aggregate gross proceeds of $126,080.

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 $3.00 per share for a period of one year from the date of issuance.

Each non flow-through unit comprises of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at $2.00 per share for a period of one year from the date of issuance.

(Stated in Canadian Funds Unless Noted Otherwise)

6. Equity – *Continued*

b) Private Placements – *Continued*

Private Placement September 2011 – Continued

The warrants attached to this private placement have been valued at $8,422 ($9,150 net of warrant issuance costs of $728) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.20%
Expected stock price volatility	113%
Expected dividend yield	0.00%
Expected life of warrants	1 year

c) Share Purchase and Agents Warrants

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – March 1, 2011	1,801,862	$2.10
Issued	704,783	$2.70
Expired	(1,152,310)	$1.60
Balance – February 29, 2012	1,354,335	$2.90
Issued	85,000	$1.53
Expired	(1,336,835)	$2.89
Balance – November 30, 2012	**102,500**	**$1.49**

At November 30, 2012, the following warrants are outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
January 16, 2013*	$1.40**	7,500	$ 7,108
January 12, 2014	$1.20**	10,000	5,125
August 24, 2014	$1.00	75,000	9,600
September 20, 2014	$5.50	10,000	599
Weighted Average	**$1.49**	**102,500**	**$ 22,432**

* *Expired subsequent to the period ended November 30, 2012 without exercise.*

** *These warrants were issued with an incorrect exercise price. The Company awaits the return of the warrant certificates from the warrant holders, at which time the warrants will be cancelled and reissued with an exercise price of $5.50 (Note 5a).*

The above noted fair value of $22,432 is included in share-based payments reserve in the Company's Statement of Financial Position at November 30, 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

(Stated in Canadian Funds Unless Noted Otherwise)

6. Equity – *Continued*

d) Stock Options – *Continued*

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 200,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at $1.00 per share and expire on October 28, 2016. Of these options, 177,000 vested immediately and 23,000 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:

Assumptions	
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 ($170,894 recognized during the nine months ended November 30, 2011), $7,057 has been recognized during the nine months ended November 30, 2012 and the remaining $1,178 will be recognized during the remaining three months of the fiscal year ended February 28, 2013. The weighted average fair value of these options was $0.94.

Fiscal year ended February 28, 2011 - Grants

On January 11, 2011, the Company granted 196,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at $1.50 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 compensation expense amounted to $231,668, 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 and forfeiture	0.00%
Expected life of options	5 years

(Stated in Canadian Funds Unless Noted Otherwise)

6. Equity – *Continued*

d) Stock Options – *Continued*

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

Of the $231,668 in share-based compensation expense, $65,824 was recognized during the fiscal year ended February 28, 2011, $158,579 was recognized during the nine months ended November 30, 2011 and the remaining $7,265 was recognized during the remaining three months of the fiscal year ended February 29, 2012. The weighted average fair value of these options was $1.18.

At November 30, 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	$2.00	67,000	0.90	67,000
January 11, 2015	$1.00	122,500	2.12	122,500
January 11, 2016	$1.50	178,500	3.12	178,500
October 28, 2016	$1.00	178,500	3.91	178,500
	$1.29	**546,500**	**2.88**	**546,500**

During the nine months ended November 30, 2012, 54,600 incentive stock options with an exercise price of $7.00 expired without exercise. Also during the nine months ended November 30, 2012, 8,500 incentive stock options with an exercise price of $2.00, 17,500 incentive stock options with an exercise price of $1.50, and 63,500 incentive stock options with an exercise price of $1.00 were forfeited.

e) Broker's Options

During the nine months ended November 30, 2012, 33,333 broker's options, with an exercise price of $1.20, 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 1,068,766 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. As at November 30, 2012, the total proceeds from these flow-through issuances have been spent by the required deadline of December 31, 2012.

Fiscal Year Ended February 28, 2011

During the fiscal year ended February 28, 2011, the Company issued 1,554,220 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 from these flow-through issuances have been spent by the required deadline of December 31, 2011.

(Stated in Canadian Funds Unless Noted Otherwise)

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	**November 30, 2012**	November 30, 2011
Management fees	(i)	**$ 289,583**	$ 303,750
Total Management Fees	(ii)	**$ 289,583**	$ 303,750

(i) During the nine months ended November 30, 2012, the Company paid consulting fees to its President and Chief Executive Officer. The total amount paid was $43,750 (November 30, 2011 - $131,250) and $87,500 (November 30, 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 nine months ended November 30, 2012 was $113,333 (November 30, 2011 - $127,500). The Company also paid fees to a private company controlled by its Chief Financial Officer for consulting services. The total amount paid during the nine months ended November 30 2012 was $15,000 (November 30, 2011 - $45,000) and $30,000 (November 30, 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 November 30, 2012 is $96,453 (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 $33,650 (February 29, 2012 - $Nil) owing to the Company's Chief Financial Officer.

b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the nine months ended November 30, 2012 and November 30, 2011 were as follows:

	Note	**November 30, 2012**	November 30, 2011
Management fees	(i)	**$ 289,583**	$ 303,750
Share-based compensation	(ii)	**-**	209,075
		$ 289,583	$ 512,825

7. Related Party Transactions – *Continued*

b) Compensation of Key Management Personnel – *Continued*

(i) Management fees include the fees disclosed in Note 7(a) above. The Company did not pay any director's fees during the nine months ended November 30, 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 nine months ended November 30, 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), which amount includes the basic rent plus operating costs. 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) On December 27, 2012, the Company closed a non-brokered private placement of 1,000,000 units at a price of $0.10 per unit for gross proceeds of $100,000. Each unit consists of one flow-through common share and one non flow-through share purchase warrant. Each share purchase warrant is exercisable to purchase one additional non flow-through common share at $0.15 per share for a period of two years from the date of issuance of December 27, 2012. The Company paid finder's fees of $8,000 and issued 80,000 broker's warrants exercisable at a price of $0.10 for a period of two years from the date of issuance of December 27, 2012.

b) On December 28, 2012, the Company closed the first tranche of a non-brokered private placement of 4,570,234 units at a price of $0.075 per unit for gross proceeds of $342,767. Each unit consists of one non flow-through common share and one non flow-through share purchase warrant. Each share purchase warrant is 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 of December 28, 2012. Two insiders of the Company subscribed for a total of 1,026,234 units in this tranche. The Company paid finder's fees of $16,780 and issued 162,400 finder's warrants exercisable at a price of $0.10 for a period of two years from the date of issuance of December 28, 2012. The Company also issued 61,320 finder compensation options. Each compensation option is comprised of one non flow-through share exercisable at $0.075 per share and one non flow-through share purchase warrant exercisable at $0.10 for a period of two years from the date of issuance of December 28, 2012.

10. Subsequent Events – *Continued*

c) On January 8, 2013, the Company closed the second tranche of a non-brokered private placement of 1,300,000 units at a price of $0.075 per unit for gross proceeds of $97,500. Each unit consists of one non flow-through common share and one non flow-through share purchase warrant. Each share purchase warrant is 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 of January 8, 2013. The Company paid finder's fees of $7,800 and issued 104,000 finder's warrants exercisable at a price of $0.10 for a period of two years from the date of issuance of January 8, 2013.

d) The Company has received a share subscription agreement for $89,700, which subscription will close upon TSX-V regulatory approval of a Personal Information Form for the subject subscriber. The Company anticipates approval of the Personal Information Form within 2 weeks.

e) All other subsequent events have been disclosed elsewhere in the body of the notes to these interim financial statements, in particular, Notes 5a and 6c.