



*(An Exploration Stage Company)*

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIODS ENDED NOVEMBER 30, 2014 and 2013**

*(Unaudited – Prepared by Management)*

*(Canadian Funds)*

#### **NOTICE OF NO REVIEW BY AUDITOR**

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

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

Statement 1

**Interim Condensed Statements of Financial Position****As at***(Canadian Funds)**(Unaudited – Prepared by Management)*

|                                                                      | November 30,<br>2014 | February 28, 2014<br><i>(Audited)</i> |
|----------------------------------------------------------------------|----------------------|---------------------------------------|
| <b>Assets</b>                                                        |                      |                                       |
| <b>Current Assets:</b>                                               |                      |                                       |
| Cash and cash equivalents <i>(Note 9e)</i>                           | \$ 42,815            | \$ 66,875                             |
| Short-term investments <i>(Note 4)</i>                               | -                    | 17,250                                |
| Marketable securities <i>(Note 5)</i>                                | 13,575               | 19,575                                |
| Sales tax and other receivables                                      | 26,877               | 20,445                                |
| Prepaid expenses                                                     | 3,750                | 15,242                                |
|                                                                      | <b>87,017</b>        | <b>139,387</b>                        |
| <b>Non-Current Assets:</b>                                           |                      |                                       |
| Deposits                                                             | 43,800               | 54,580                                |
| Property and equipment <i>(Note 6)</i>                               | 17,817               | 21,581                                |
| Reclamation bonds <i>(Note 7)</i>                                    | 83,800               | 83,800                                |
| Exploration and evaluation assets <i>(Note 8)</i>                    | 1,525,689            | 1,426,813                             |
| <b>Total Assets</b>                                                  | <b>\$ 1,758,123</b>  | <b>\$ 1,726,161</b>                   |
| <b>Liabilities and Equity</b>                                        |                      |                                       |
| <b>Current Liabilities:</b>                                          |                      |                                       |
| Accounts payable and accrued liabilities <i>(Note 10a)</i>           | \$ 277,515           | \$ 198,667                            |
| <b>Total Liabilities</b>                                             | <b>\$ 277,515</b>    | <b>\$ 198,667</b>                     |
| <b>Shareholders' Equity:</b>                                         |                      |                                       |
| Share capital – <i>(Statement 4) – (Note 9)</i>                      | 14,160,726           | 13,853,513                            |
| Share-based payments reserve <i>(Statement 4)</i>                    | 4,399,405            | 4,351,767                             |
| Accumulated other comprehensive loss (“AOCL”) – <i>(Statement 4)</i> | (224,948)            | (218,948)                             |
| Deficit – <i>(Statement 4)</i>                                       | (16,854,575)         | (16,458,838)                          |
| <b>Total Equity</b>                                                  | <b>1,480,608</b>     | <b>1,527,494</b>                      |
| <b>Total Liabilities and Equity</b>                                  | <b>\$ 1,758,123</b>  | <b>\$ 1,726,161</b>                   |

**Nature of Operations and Going Concern** *(Note 1)***Commitments** *(Notes 8 and 12)***Subsequent Events** *(Note 14)*

Approved by the Board of Directors on January 29, 2015:

“Brian Fowler”, Director“Peter Kendrick”, Director

The accompanying notes are an integral part of these interim condensed financial statements

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

Statement 2

**Interim Condensed Statements of Loss and Comprehensive Loss***(Canadian Funds)**(Unaudited – Prepared by Management)*

|                                                             | <b>Three-month<br/>period ended<br/>November 30,<br/>2014</b> | Three-month<br>period ended<br>November 30,<br>2013 | <b>Nine-month<br/>period ended<br/>November 30,<br/>2014</b> | Nine-month<br>period ended<br>November 30,<br>2013 |
|-------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------|
| <b>Expenses</b>                                             |                                                               |                                                     |                                                              |                                                    |
| Corporate listing and filing fees                           | 3,889                                                         | 6,135                                               | 11,256                                                       | 15,067                                             |
| Depreciation                                                | 1,255                                                         | 1,663                                               | 3,765                                                        | 4,989                                              |
| Exploration and evaluation expenses (Note 8)                | 29,106                                                        | 83,254                                              | 91,664                                                       | 181,760                                            |
| Investor relations                                          | 2,000                                                         | 10,539                                              | 9,225                                                        | 12,645                                             |
| Office expenses                                             | 14,768                                                        | 17,280                                              | 43,612                                                       | 47,696                                             |
| Professional fees                                           | 2,100                                                         | 6,607                                               | 26,230                                                       | 11,981                                             |
| Rent                                                        | 22,520                                                        | 17,087                                              | 69,153                                                       | 52,867                                             |
| Share-based compensation                                    | -                                                             | -                                                   | -                                                            | 39,520                                             |
| Travel                                                      | -                                                             | 76                                                  | 1,635                                                        | 8,773                                              |
| Wages and consulting fees                                   | 21,358                                                        | 72,178                                              | 139,734                                                      | 242,331                                            |
| <b>Loss from Operations</b>                                 | <b>96,996</b>                                                 | 214,819                                             | <b>396,274</b>                                               | 617,629                                            |
| <b>Other Income:</b>                                        |                                                               |                                                     |                                                              |                                                    |
| Interest and other income                                   | (81)                                                          | (21)                                                | (537)                                                        | (640)                                              |
| Management and administrative fee                           | -                                                             | (9,456)                                             | -                                                            | (9,456)                                            |
| <b>Total Other Income</b>                                   | <b>(81)</b>                                                   | <b>(9,477)</b>                                      | <b>(537)</b>                                                 | <b>(10,100)</b>                                    |
| <b>Loss Before Income Taxes</b>                             |                                                               |                                                     |                                                              |                                                    |
| Deferred income tax recovery                                | -                                                             | (20,000)                                            | -                                                            | (20,000)                                           |
| <b>Net Loss for the Period</b>                              | <b>96,915</b>                                                 | 185,342                                             | <b>395,737</b>                                               | 587,529                                            |
| Unrealized loss on marketable securities                    | 5,000                                                         | 1,000                                               | 6,000                                                        | 25,150                                             |
| <b>Comprehensive Loss for the Period</b>                    | <b>\$ 101,915</b>                                             | <b>\$ 186,342</b>                                   | <b>\$ 401,737</b>                                            | <b>\$ 612,679</b>                                  |
| <b>Loss per share</b>                                       |                                                               |                                                     |                                                              |                                                    |
| - Basic and diluted                                         | <b>\$ 0.00</b>                                                | \$ 0.01                                             | <b>\$ 0.01</b>                                               | \$ 0.03                                            |
| <b>Weighted average number of common shares outstanding</b> | <b>32,816,435</b>                                             | 24,305,094                                          | <b>30,858,253</b>                                            | 20,109,504                                         |

The accompanying notes are an integral part of these interim condensed financial statements

**BCGold Corp.**

Statement 3

*(An Exploration Stage Company)***Interim Condensed Statements of Cash Flows****For the nine-month period ended November 30,***(Canadian Funds)**(Unaudited – Prepared by Management)*

| <b>Cash Resources Provided By (Used In)</b>                                                 | <b>2014</b>      | <b>2013</b>       |
|---------------------------------------------------------------------------------------------|------------------|-------------------|
| <b>Operating Activities:</b>                                                                |                  |                   |
| Net loss for the period                                                                     | \$ (395,737)     | \$ (587,529)      |
| Adjustment for items which do not involve cash:                                             |                  |                   |
| Deferred income tax                                                                         |                  | (20,000)          |
| Depreciation                                                                                | 3,765            | 4,989             |
| Share-based compensation                                                                    | -                | 39,520            |
| Changes in non-cash working capital components:                                             |                  |                   |
| Accounts payable and accrued liabilities                                                    | 78,847           | 60,719            |
| Deposits                                                                                    | 10,780           | -                 |
| Prepaid expenses                                                                            | 11,492           | (9,811)           |
| Sales tax and other receivables                                                             | (6,433)          | (1,861)           |
| <b>Cash used in Operating Activities</b>                                                    | <b>(297,285)</b> | <b>(513,973)</b>  |
| <b>Investing Activities:</b>                                                                |                  |                   |
| Short-term investments                                                                      | 17,250           | -                 |
| <b>Cash provided by Investing Activities</b>                                                | <b>17,250</b>    | <b>-</b>          |
| <b>Financing Activities:</b>                                                                |                  |                   |
| Proceeds from private placements                                                            | 260,000          | 411,800           |
| Shares subscriptions payable                                                                | -                | -                 |
| Share issuance costs                                                                        | (4,025)          | (19,604)          |
| <b>Cash provided by Financing Activities</b>                                                | <b>255,975</b>   | <b>392,196</b>    |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                 | <b>(24,060)</b>  | <b>(121,777)</b>  |
| Cash and Cash Equivalents - beginning of the period                                         | 66,875           | 273,018           |
| <b>Cash and Cash Equivalents - End of the Period</b>                                        | <b>\$ 42,815</b> | <b>\$ 151,241</b> |
| <b>Cash and Cash Equivalents Consist of the Following:</b>                                  |                  |                   |
| Cash                                                                                        | \$ 17,636        | \$ 151,241        |
| Restricted Cash*                                                                            | 25,179           | -                 |
| <b>Total Cash and Cash Equivalents</b>                                                      | <b>\$ 42,815</b> | <b>\$ 151,241</b> |
| <b>Supplemental Schedule of Non-cash Investing Activities:</b>                              |                  |                   |
| Fair value of shares issued – property option payment                                       | \$ 54,000        | \$ 13,750         |
| Fair value of shares issued – property option payment                                       | \$ 39,670        | \$ 7,343          |
| Fair value of shares received– property option consideration received/marketable securities | \$ -             | \$ 9,000          |

\* In conjunction with the flow through private placements during the nine-month period ended November 30, 2014 (See Note 9), the Company has restricted cash that is required to be spent on qualified mineral exploration expenditures.

The accompanying notes are an integral part of these interim condensed financial statements

**BCGold Corp.**

Statement 4

**Interim Condensed Statements of Changes in Equity****For the nine-month period ended November 30, 2014***(Canadian Funds)**(Unaudited – Prepared by Management)*

|                                                            | SHARE CAPITAL     |                   | SHARE-BASED<br>PAYMENTS |                  |                     |                  |
|------------------------------------------------------------|-------------------|-------------------|-------------------------|------------------|---------------------|------------------|
|                                                            | SHARES            | AMOUNT            | RESERVE                 | AOCL             | DEFICIT             | TOTAL EQUITY     |
| Balance – February 28, 2013                                | 18,030,435        | 13,684,310        | 4,069,661               | (185,798)        | (15,725,411)        | 1,842,762        |
| Non-flow-through common shares issued                      | 6,428,000         | 321,400           | -                       | -                | -                   | 321,400          |
| Flow-through common shares issued                          | 1,808,000         | 90,400            | -                       | -                | -                   | 90,400           |
| Fair value of warrants issued                              | -                 | (237,242)         | 237,242                 | -                | -                   | -                |
| Share issuance costs                                       | -                 | (19,604)          | -                       | -                | -                   | (19,604)         |
| Warrant issuance costs                                     | -                 | 25,496            | (25,496)                | -                | -                   | -                |
| Fair value of finder's warrants issued                     | -                 | (23,497)          | 23,497                  | -                | -                   | -                |
| Common shares issued for exploration and evaluation assets | 250,000           | 13,750            | -                       | -                | -                   | 13,750           |
| Warrants issued for exploration and evaluation assets      | -                 | -                 | 7,343                   | -                | -                   | 7,343            |
| Share based compensation                                   | -                 | -                 | 39,520                  | -                | -                   | 39,520           |
| Unrealized loss on marketable securities                   | -                 | -                 | -                       | (25,150)         | -                   | (25,150)         |
| Net loss for the period                                    | -                 | -                 | -                       | -                | (587,529)           | (587,529)        |
| Balance – November 30, 2013                                | 26,516,435        | 13,855,013        | 4,351,767               | (210,948)        | (16,312,940)        | 1,682,892        |
| Balance – February 28, 2014                                | 26,516,435        | 13,853,513        | 4,351,767               | (218,948)        | (16,458,838)        | 1,527,494        |
| Non-flow-through common shares issued                      | 4,300,000         | 215,000           | -                       | -                | -                   | 215,000          |
| Flow-through common shares issued                          | 900,000           | 45,000            | -                       | -                | -                   | 45,000           |
| Share issuance costs                                       | -                 | (6,787)           | 2,762                   | -                | -                   | (3,925)          |
| Shares issued for exploration and evaluation asset         | 1,100,000         | 54,000            | -                       | -                | -                   | 54,000           |
| Warrants issued for exploration and evaluation asset       | -                 | -                 | 44,876                  | -                | -                   | 39,670           |
| Unrealized loss on marketable securities                   | -                 | -                 | -                       | (6,000)          | -                   | (1,000)          |
| Net loss for the period                                    | -                 | -                 | -                       | -                | (395,737)           | (395,736)        |
| <b>Balance – November 30, 2014</b>                         | <b>32,816,435</b> | <b>14,160,726</b> | <b>4,399,405</b>        | <b>(224,948)</b> | <b>(16,854,575)</b> | <b>1,480,608</b> |

The accompanying notes are an integral part of these interim condensed financial statements

# BCGold Corp.

*(An Exploration Stage Company)*

## Notes to the Interim Condensed Financial Statements

**For the nine-month period ended November 30, 2014**

*(Canadian Funds)*

*(Unaudited – Prepared by Management)*

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### 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 Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

These interim condensed financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation assets projects. These material uncertainties may cast a significant doubt on the validity of this assumption. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue operations. As at November 30, 2014, the Company has an accumulated deficit of \$16,854,575, a net loss for the nine-month period ended of \$395,737 and has negative working capital of \$190,498. During the nine-month period ended November 30, 2014, the Company closed the final tranche of the private placement announced on February 18, 2014 and amended March 27, 2014. *(See Note 9)*

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

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### 2. Basis of Preparation

#### *Statement of Compliance*

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

#### *Critical Accounting Estimates*

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

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### 2. Basis of Preparation - continued

#### *Critical Accounting Estimates – continued*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
  - ii) The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
  - iii) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.
  - iv) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.
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### 3. New and Amended IFRS Pronouncements

#### (a) Pronouncements Affecting Financial Statement Presentation or Disclosures

The adoption of the following new and amended IFRS pronouncements resulted in enhanced financial statement disclosures in the Company's interim and annual financial statements. These pronouncements did not affect financial results.

##### **IFRS 13 - Fair Value Measurement**

The Company adopted IFRS 13, Fair Value Measurement ("IFRS 13") with prospective application from March 1, 2013. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements for fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement, so assumptions that market participants would use should be applied in measuring fair value.

The adoption of IFRS 13 did not have an effect on the Company's financial statements for the current year and the Company has incorporated the required disclosures in Note 13.

##### **IAS 34 - Interim Financial Reporting**

IAS 34, Interim Financial Reporting ("IAS 34") was amended to establish criteria for disclosing total segmented assets and require certain fair value disclosures. The Company has adopted IAS 34 effective March 1, 2013 and has incorporated the required fair value disclosures for the current year in Note 11.



# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

### 3. New and Amended IFRS Pronouncements - continued

#### (b) Pronouncements Affecting Accounting Policies Only

The adoption of the following new IFRS pronouncements did not affect the Company's financial results or disclosures as the Company's analysis of these new IFRS pronouncements determined that no changes were required to the Company's existing accounting treatment.

#### **IFRS 11 – Joint Arrangements**

The Company adopted IFRS 11, Joint Arrangements ("IFRS 11") on March 1, 2013, with retrospective application from the date of its earliest period presented of March 1, 2012. If an arrangement results in joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved. The Company also adopted IAS 28(R), Investments in Associates and Joint Ventures ("IAS 28") which included amendments to address accounting for joint ventures.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities of the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties only have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method.

Based on the Company's analysis, IFRS 11 did not have an effect on the Company's financial statements for the current year or prior years presented as the Company currently does not have any joint arrangements.

### 4. Short-term Investments

As of November 30, 2014, the Company had no short-term investments (February 28, 2014 - \$17,250).

### 5. 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, 2014 |            | February 28, 2014 |            |
|-------------------------------------------------------------------------|-------------------|------------|-------------------|------------|
|                                                                         | Market Value      | Cost       | Market Value      | Cost       |
| Common shares of public companies, not subject to significant influence | \$ 13,575         | \$ 238,523 | \$ 19,575         | \$ 238,523 |

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

### 6. Property and Equipment

|                                | November 30, 2014 |                          |                | February 28, 2014 |                          |                |
|--------------------------------|-------------------|--------------------------|----------------|-------------------|--------------------------|----------------|
|                                | Cost              | Accumulated Amortization | Net Book Value | Cost              | Accumulated Amortization | Net Book Value |
| Computer equipment             | \$ 44,478         | \$ (39,024)              | \$ 5,454       | \$ 44,478         | \$ (37,442)              | \$ 7,036       |
| Office furniture and equipment | 34,464            | (26,966)                 | 7,498          | 34,464            | (25,643)                 | 8,821          |
| Project field equipment        | 17,422            | (12,557)                 | 4,865          | 17,422            | (11,698)                 | 5,724          |
|                                | \$ 96,364         | \$ (78,548)              | \$ 17,817      | \$ 96,364         | \$ (74,783)              | \$ 21,581      |

### 7. Reclamation Bonds

As of November 30, 2014, the Company has invested a total of \$83,800 (February 28, 2014 - \$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 and are yielding interest at rates ranging from 0.90% to 0.95%.

### 8. Exploration and Evaluation Assets and Expenditures

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

|                                                                    | Minto/Carmacks<br>Copper-Gold<br>Properties<br>(Yukon) | Engineer<br>(B.C.) | Gold Hill<br>(B.C.) | Voigtberg<br>(B.C.) | Other<br>Properties<br>(B.C. & Yukon) | Total               |
|--------------------------------------------------------------------|--------------------------------------------------------|--------------------|---------------------|---------------------|---------------------------------------|---------------------|
| Balance - March 1, 2012                                            | \$ 551,334                                             | \$ 906,263         | \$ 47,000           | \$ 169,944          | \$ 62,383                             | \$ 1,736,924        |
| Property option payment paid (received) – cash (Notes 8a, 8b & 8c) | (25,000)                                               | 10,000             | 25,000              | -                   | -                                     | 10,000              |
| Shares returned to treasury (Note 8a)                              | -                                                      | (264,204)          | -                   | -                   | -                                     | (264,204)           |
| Property option payment received – shares (Note 8c)                | (16,000)                                               | -                  | -                   | -                   | -                                     | (16,000)            |
| Write-down of acquisition costs                                    | -                                                      | -                  | -                   | -                   | (62,000)                              | (62,000)            |
| Balance – February 28, 2013                                        | \$ 510,334                                             | \$ 652,059         | \$ 72,000           | \$ 169,944          | \$ 383                                | \$ 1,404,720        |
| Property option payment paid – shares (Notes 8a, 8b & 8d)          | -                                                      | 10,000             | 7,343               | -                   | 13,750                                | 31,093              |
| Property option payment received – shares (Note 8c)                | (9,000)                                                | -                  | -                   | -                   | -                                     | (9,000)             |
| Balance – February 28, 2014                                        | \$ 501,334                                             | \$ 662,059         | \$ 79,343           | \$ 169,944          | \$ 14,133                             | \$ 1,426,813        |
| Property extension payment (Note 8d)                               | -                                                      | -                  | 5,206               | -                   | 4,000                                 | 9,206               |
| Property option payment paid – shares (Note 8e)                    | -                                                      | -                  | -                   | 89,670              | -                                     | 89,670              |
| <b>Balance – November 30, 2014</b>                                 | <b>\$ 501,334</b>                                      | <b>\$ 662,059</b>  | <b>\$ 84,549</b>    | <b>\$ 259,614</b>   | <b>\$ 18,133</b>                      | <b>\$ 1,525,689</b> |

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

### 8. Exploration and Evaluation Assets and Expenditures - continued

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/<br>Carmacks<br>Copper-Gold<br>Properties<br>(Yukon) | Engineer<br>(B.C.)  | Gold Hill<br>(B.C.) | Voigtberg<br>(B.C.) * | Other<br>Properties<br>(B.C. &<br>Yukon) | Total                |
|------------------------------------------------------|------------------------------------------------------------|---------------------|---------------------|-----------------------|------------------------------------------|----------------------|
| Balance - March 1, 2012                              | \$ 3,872,870                                               | \$ 2,864,323        | \$ 213,985          | \$ 880,062            | \$ 1,201,481                             | \$ 9,032,721         |
| Exploration and evaluation<br>(recovery) expenses ** | 60,259                                                     | 477,135             | 92,790              | 1,455                 | 172,684                                  | 804,323              |
| Balance – February 28, 2013                          | \$ 3,933,129                                               | \$ 3,341,458        | \$ 306,775          | \$ 881,517            | \$ 1,374,165                             | \$ 9,837,044         |
| Exploration and evaluation<br>expenses **            | 47,755                                                     | 90,823              | 6,936               | 6,491                 | 9,143                                    | 161,148              |
| Balance – February 28, 2014                          | \$ 3,980,884                                               | \$ 3,432,281        | \$ 313,711          | \$ 888,008            | \$ 1,383,308                             | \$ 9,998,192         |
| Exploration and evaluation<br>recovery               | (3,268)                                                    | 92,142              | -                   | 3,172                 | (382)                                    | 91,664               |
| <b>Balance – November 30, 2014</b>                   | <b>\$ 3,977,616</b>                                        | <b>\$ 3,524,423</b> | <b>\$ 313,711</b>   | <b>\$ 891,180</b>     | <b>\$ 1,382,926</b>                      | <b>\$ 10,089,856</b> |

\* As of February 28, 2013, the Company incurred \$1,024,844 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 \$161,148 (February 28, 2013 – \$806,285) in exploration and evaluation expenses. Of this amount, \$161,148 (February 28, 2013 - \$804,323) was incurred as a result of exploration on the Company's respective properties as per the table above and \$Nil (February 28, 2013 - \$1,962) 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 has acquired a 100% interest by:

- Paying a \$125,000 in cash;
- Issuing an aggregate of 315,455 common shares and 52,500 warrants over six years;
- Making a rental payment of \$30,000 on January 16, 2010 (*paid*) and thereafter annual rental payments of \$10,000 per year (*2011, 2012, 2013 and 2014 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 ceased upon the Company earning a 100% interest in the property and purchasing the surface rights;
- 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 a drill program and a de-watering program*).

# BCGold Corp.

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## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

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(Unaudited – Prepared by Management)

### 8. Exploration and Evaluation Assets and Expenditures – continued

#### (a) Engineer Mine Property, B.C. – continued

Upon making the final payment in shares to earn a 100% interest in the Engineer Mine property, the Company discovered an over issuance of shares regarding the previous payments made. In order to resolve this matter, certain shares were returned to treasury and cancelled. Details of the over issuance of shares is as follows:

|                                                                           |          |
|---------------------------------------------------------------------------|----------|
| Over issuance of shares                                                   | 250,980  |
| Over issuance of shares kept by the optionor for the 2013 final 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.

As a result of the shares being returned to treasury and cancelled, the financial statement impact was a reduction to both exploration and evaluation assets and share capital in the amount of \$264,204 in order to properly reflect fair value. 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 on or before the later of (a) the date the Company ceases mining work on the property or (b) January 16, 2017. This payment may be accelerated at the Company's option.

On September 20, 2012, the Company entered into a letter agreement with Engineer Mining Corp. ("EMC") to purchase certain capital assets for total cash consideration of \$300,000 payable to EMC no later than May 15, 2013. The Company did not make the required payment of \$300,000 under the terms of the letter agreement and thus the title to these assets, which are currently situated on the Company's Engineer Mine property, has been returned to the vendors. The Company is currently unable to properly assess the final outcome of this matter.

#### (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. This agreement was amended on August 25, 2013. 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*);
- Issuing 10,000 common shares to Guardsmen within 5 days of TSX.V Exchange approval (*issued*); and
- Issuing 100,000 warrants to Guardsmen within 30 days of the execution of the amended agreement (*issued – fair value of \$7,343*). Each warrant is exercisable at a price of \$0.055 per share for a term of approximately four years;
- 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, 2014 ( <i>Cumulative \$313,711 incurred as at November 30, 2014</i> ) |
| iv)  | 133,334           | to September 30, 2015                                                                  |
|      | <u>\$ 500,000</u> |                                                                                        |

# BCGold Corp.

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### 8. Exploration and Evaluation Assets and Expenditures – continued

#### (b) Gold Hill Property, B.C. - continued

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.

During the quarter, on October 7, 2014 the Company amended the Gold Hill Option Agreement entered into on September 30, 2010 (see news release dated October 4, 2010) with Guardsmen Resources Inc. (“Guardsmen”) and subsequently amended on August 25, 2013 (see news release dated August 27, 2013).

In consideration for the amendment, the Company paid legal fees in the amount of \$900 and issued 200,000 warrants of the Company to Guardsman, which entitles the holder to purchase one Company common share at a price of \$0.05 for up to four years expiring on October 21, 2018. The warrants have been valued at \$5,206 based upon the Black-Scholes Method using a risk free of 1.31%, an expected stock price volatility of 144.34%, Nil dividend yield, and an expected life of warrants of 5 years. The following agreement components have been amended:

- A one year extension to fulfill certain option terms in order to acquire interests in Guardsmen’s Gold Hill property, previously amended and requiring the Company to make a \$25,000 property payment and incur \$133,333 in eligible exploration expenditures by September 30, 2014 to earn a 75% interest.
- A one year extension requiring the Company to make a final option payment of \$25,000 and incur an additional \$133,334 in eligible exploration expenditures, for a 100% interest in the Gold Hill property, on or before September 30, 2014.

The Company has incurred \$313,711 in eligible exploration expenditures and paid Guardsmen \$60,000 in option payments to date, having earned a 50% interest in the Gold Hill Property. The Company can now earn a 100% interest in the Gold Hill Property after completing an additional \$186,289 in eligible exploration expenditures and by making a cash payment of \$50,000 to Guardsmen by September 30, 2016.

#### (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. 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, one of several mineral properties the Company acquired in the vicinity of the Minto/Carmacks Copper-Gold Belt 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*). Kaiyue can earn an additional 10% interest in the Toe Property by completing a feasibility study. This transaction was subject to a definitive agreement being entered into by Kaiyue and BCGold which was finalized and

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### 8. Exploration and Evaluation Assets and Expenditures – continued

#### (c) Minto/Carmacks Copper-Gold Properties, Yukon – continued

executed on October 15, 2012. The Toe Property is subject to a 2.5% NSR held by the Company and a third party.

On October 31, 2013, the Company and Kaiyue amended the definitive agreement dated October 15, 2012. The Company agreed to postpone all of Kaiyue's obligations, which were due on October 15, 2013, for a further six months in consideration for 100,000 common shares of Kaiyue (*received – fair value of \$9,000*). Kaiyue must now fulfill the obligations by April 15, 2014 which comprises \$25,000 in cash, 100,000 common shares of Kaiyue and incurring \$200,000 in exploration expenditures.

Kaiyue is currently in default of their obligations due April 15, 2014 and the Company has notified Kaiyue of such. The Company and Kaiyue are arranging for meetings to discuss this default and the possible remedies thereto.

#### (d) Other Properties – Blind Creek, B.C.

On August 16, 2013, the Company entered into an option agreement with Blind Creek Resources Ltd. ("Blind Creek") to earn a 100% interest in nine mineral claims over four years through the issuance of 1,250,000 common shares (*issued 250,000 to date valued at \$13,750*) and staged cash payments of \$225,000 to Blind Creek. The Company must also incur \$400,000 in exploration expenditures over the four years. Blind Creek will retain a 2% NSR on the claims which can be reduced to 0.5% by the Company for a price of \$1,500,000.

During the nine-month period ended November 30, 2014, the Company amended the Blind Creek Letter Agreement, under which they may earn up to a 100% interest in the Blind Creek property. The amendment terms are as follows:

- Each of the Company's annual option commitments over four years, totaling \$400,000 in eligible exploration expenses, issuance of 1,000,000 Company common shares, and cash payments of \$225,000 to Blind Creek, are extended by one year.
- In consideration of the above, the Company issued 100,000 common shares to Blind Creek for a total fair value recorded of \$4,000.

#### (e) Voigtberg, British Columbia

On April 22, 2014 the Company signed a letter agreement with joint venture partner Kaminak Gold Corp. ("Kaminak") to obtain 100% interest in the Voigtberg porphyry copper-gold property, situated in the heart of the prolific Golden Triangle district in north western British Columbia, by acquiring Kaminak's 50% interest in the property.

The Company issued Kaminak one million units, with \$50,000 fair value being assigned to the shares and \$39,670 fair value being assigned to the warrants, of the Company's securities in exchange for Kaminak's 50% interest in the Voigtberg property. Each "unit" consists of one common share and one share purchase warrant. Each warrant entitles Kaminak to acquire one additional common share at a price of \$0.10 for up to three years. All securities are subject to a four month hold period after the date of issuance.

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### 8. Exploration and Evaluation Assets and Expenditures – continued

#### (e) Voigtberg, British Columbia – continued

The Company also agreed to facilitate \$1.2 million in exploration expenditures on the Voigtberg property over a three-year period. If the Company fails to achieve this, Kaminak will have a one-time opportunity to acquire the Company's entire interest in the property for \$50,000.

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### 9. Share Capital and Contributed Surplus

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

*September 2013*

On September 10, 2013, the Company closed a non-brokered private placement of 5,350,000 non flow-through units and 600,000 flow-through units at a price of \$0.05 per non flow-through unit for gross proceeds of \$297,500.

Each non flow-through unit comprises of one non flow-through common share and one non flow-through common share purchase warrant, each warrant exercisable to purchase one additional non flow-through common share at \$0.10 per share for a period of four years from the date of issuance. Each flow-through unit comprises of one flow-through common shares and one non flow-through common share purchase warrant, each 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 \$15,050 were paid in cash.

The warrants attached to this private placement have been valued at \$158,087 (\$181,267 net of warrant issuance costs of \$23,180) based upon the Black-Scholes Method using the following assumptions noted below.

#### Assumptions for 5,350,000 Warrants

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.72%   |
| Expected stock price volatility | 179%    |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 4 years |

#### Assumptions for 600,000 Warrants

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.24%   |
| Expected stock price volatility | 220%    |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 2 years |

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## Notes to the Interim Condensed Financial Statements

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(Unaudited – Prepared by Management)

### 9. Share Capital and Contributed Surplus – continued

#### (b) Private Placements – continued

In connection with this private placement, the Company issued 301,000 finder's warrants. Each finder's warrant entitles the holder to purchase one additional non flow-through common share at a price of \$0.10 per share for a period of one year from the date of issuance. The Company has recorded the fair value of these finder's warrants as share issuance costs. The finder's warrants have been valued at \$21,628 based upon the Black-Scholes Method using the following assumptions noted below.

#### **Assumptions for 301,000 Finder's Warrants**

|                                 |        |
|---------------------------------|--------|
| Risk-free interest rate         | 1.24%  |
| Expected stock price volatility | 293%   |
| Expected dividend yield         | 0.00%  |
| Expected life of warrants       | 1 year |

#### *November 2013*

On November 1, 2013, the Company closed a non-brokered private placement of 1,078,000 non flow-through units and 1,208,000 flow-through units at a price of \$0.05 per non flow-through unit for gross proceeds of \$114,300.

Each non flow-through unit comprises of one non flow-through common share and one non flow-through common share purchase warrant, each warrant exercisable to purchase one additional non flow-through common share at \$0.10 per share for a period of four years from the date of issuance. Each flow-through unit comprises of one flow-through common shares and one non flow-through common share purchase warrant, each 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 \$2,275 were paid in cash.

The warrants attached to this private placement have been valued at \$53,659 (\$55,975 net of warrant issuance costs of \$2,316) based upon the Black-Scholes Method using the following assumptions noted below.

#### **Assumptions for 1,078,000 Warrants**

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.53%   |
| Expected stock price volatility | 178%    |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 4 years |

#### **Assumptions for 1,208,000 Warrants**

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.09%   |
| Expected stock price volatility | 222%    |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 2 years |



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## Notes to the Interim Condensed Financial Statements

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### 9. Share Capital and Contributed Surplus - continued

#### (b) Private Placements - continued

In connection with this private placement, the Company issued 42,000 finder's warrants of which 28,000 finder's warrants entitle the holders to purchase one additional non flow-through common share at a price of \$0.10 per share for a period of one year from the date of issuance and the remaining 14,000 finder's warrants entitle the holders to purchase one additional non flow-through common share at a price of \$0.10 per share for a period of two years from the date of issuance. The Company has recorded the fair value of these finder's warrants as share issuance costs. The finder's warrants have been valued at \$1,869 based upon the Black-Scholes Method using the following assumptions noted below.

#### Assumptions for 28,000 Finder's Warrants

|                                 |        |
|---------------------------------|--------|
| Risk-free interest rate         | 1.09%  |
| Expected stock price volatility | 282%   |
| Expected dividend yield         | 0.00%  |
| Expected life of warrants       | 1 year |

#### Assumptions for 14,000 Finder's Warrants

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.09%   |
| Expected stock price volatility | 222%    |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 2 years |

May 2014

On May 12, 2014 the Company closed the first tranche of the private placement previously announced on February 18, 2014 and amended March 27, 2014. The Company raised \$160,000 through the issuance of 2,700,000 non-flow-through units ("NFT Units") priced at \$0.05 per NFT Unit and 500,000 flow-through units ("FT Units") priced at \$0.05 per FT Unit.

Each NFT Unit comprises one common share and one share purchase warrant ("Warrant"); each FT Unit comprises one flow-through or BC super flow-through common share and one Warrant. Each Warrant entitles the holder to purchase one non-flow-through common share at a price of \$0.10 per share for up to five years, expiring May 9, 2019. All Warrants are subject to an accelerated expiry date, which comes into effect when the trading price of the Company's shares closes at or above \$0.15 per share for twenty consecutive trading days in the period commencing four months after the date of Warrant issuance. In such an event the Company will give expiry acceleration notice ("Notice") to Warrant holders and the expiry date of the Warrants will be 30 days from the date of Notice

The Company paid finder's fees of \$1,400 and issued 28,000 finder warrants, each of which entitle the holder to purchase one common share of the Company at a price of \$0.10 per share for up to five years expiring May 9, 2019. All securities are subject to a four month hold period expiring September 10, 2014.

The warrants attached to this private placement have been valued at \$1,347 based upon the Black-Scholes Method using the following assumptions noted below.

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### 9. Share Capital and Contributed Surplus - continued

#### (b) Private Placements - continued

##### Assumptions for 28,000 Warrants

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.03%   |
| Expected stock price volatility | 196.75% |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 5 years |

July 2014

On July 3, 2014, the Company closed the final tranche of its private placement previously announced on February 18, 2014 and March 27, 2014. The Company has raised \$100,000 through the issuance of 1,600,000 non-flow-through units ("NFT Units") priced at \$0.05 per NFT Unit and 400,000 flow-through units ("FT Units") priced at \$0.05 per FT Unit.

Each NFT Unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional non-flow-through common share at a price of \$0.10 per share for up to five years expiring July 2, 2019. The warrants are subject to an accelerated expiry date, which comes into effect when the trading price of the Company's shares closes at or above \$0.15 per share for twenty consecutive trading days in the period commencing four months after the date of issuance. In such an event the Company will give expiry acceleration notice ("Notice") to the warrant holders and the expiry date of the warrants will be 30 days from the date of Notice.

Each FT Unit comprises one flow-through or one BC super flow-through common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional non-flow-through common share at a price of \$0.10 per share for up to five years expiring July 2, 2019.

The Company paid finder's fees of \$2,125 and issued 42,500 finder warrants, which entitle the holder to purchase one Company common share at a price of \$0.10 for up to five years expiring July 2, 2019. All securities are subject to a four month hold period expiring November 3, 2014.

The warrants attached to this private placement have been valued at \$1,415 based upon the Black-Scholes Method using the following assumptions noted below.

##### Assumptions for 42,500 Warrants

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.46%   |
| Expected stock price volatility | 141.94% |
| Expected dividend yield         | 0.00%   |
| Expected life of warrants       | 5 years |

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### 9. Share Capital and Contributed Surplus - continued

#### (c) Share Purchase Warrants

During the quarter ended November 30, 2014 the Company issued 200,000 warrants to Gurdsmann in connection with the amendment of the Gold Hill Property Option Agreement (see Note 8b). These warrants entitles the holder to purchase one Company common share at a price of \$0.05 for up to four years expiring on October 21, 2018. The warrants have been valued at \$5,206 based upon the Black-Scholes Method using a risk free of 1.31%, an expected stock price volatility of 144.34%, Nil dividend yield, and an expected life of warrants of 5 years.

Details of outstanding warrants are as follows:

|                                    | Number of Warrants | Weighted Average Exercise Price |
|------------------------------------|--------------------|---------------------------------|
| Balance – March 1, 2012            | 1,354,335          | \$2.90                          |
| Issued                             | 8,692,634          | \$0.11                          |
| Expired                            | (1,344,335)        | \$2.88                          |
| Balance – February 28, 2013        | 8,702,634          | \$0.11                          |
| Issued                             | 8,679,000          | \$0.10                          |
| Expired                            | (10,000)           | \$1.20                          |
| Balance – February 28, 2014        | 17,371,634         | \$0.11                          |
| Issued                             | 6,470,500          | \$0.10                          |
| Expired                            | (414,000)          | \$0.26                          |
| <b>Balance – November 30, 2014</b> | <b>23,428,134</b>  | <b>\$0.10</b>                   |

At November 30, 2014, the following warrants are outstanding:

| Expiry Date                           | Exercise Price | Number of Warrants |
|---------------------------------------|----------------|--------------------|
| December 27, 2014                     | \$0.15         | 1,000,000          |
| December 27, 2014                     | \$0.10         | 80,000             |
| December 28, 2014                     | \$0.10         | 4,732,634          |
| January 8, 2015                       | \$0.10         | 1,391,000          |
| February 6, 2015                      | \$0.10         | 1,404,000          |
| September 10, 2015                    | \$0.10         | 600,000            |
| November 1, 2015                      | \$0.10         | 1,208,000          |
| November 1, 2015                      | \$0.10         | 14,000             |
| August 20, 2016 or September 18, 2017 | \$0.055        | 100,000            |
| September 10, 2017                    | \$0.10         | 5,350,000          |
| November 1, 2017                      | \$0.10         | 1,078,000          |
| May 13, 2017                          | \$0.10         | 1,000,000          |
| May 19, 2019                          | \$0.10         | 3,228,000          |
| July 2, 2019                          | \$0.10         | 2,042,500          |
| October 21, 2018                      | \$0.05         | 200,000            |
| <b>Total warrants outstanding</b>     |                | <b>23,428,134</b>  |
| <b>Weighted Average</b>               | <b>\$0.10</b>  |                    |

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### 9. Share Capital and Contributed Surplus - continued

#### (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.

#### For the Year Ended February 28, 2014 – Grants

On June 6, 2013, the Company granted 1,030,000 incentive stock options to certain directors, officers, employees and consultants. The options vested immediately and are exercisable at \$0.10 per share and expire on June 6, 2018. The weighted average fair value of these options is \$0.04. The corresponding share-based compensation expense amounted to \$39,520 and has been recognized in the statement of loss and comprehensive loss for the year ended February 28, 2014. This amount was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

#### Assumptions

|                                 |         |
|---------------------------------|---------|
| Risk-free interest rate         | 1.35%   |
| Expected stock price volatility | 197.69% |
| Expected dividend yield         | 0.00%   |
| Expected forfeiture rate        | 5.00%   |
| Expected life of options        | 5 years |

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### 9. Share Capital and Contributed Surplus - continued

#### (d) Stock Options – continued

##### Fiscal Year Ended February 28, 2013 – Grants

There were no stock options granted during the fiscal year ended February 28, 2013.

At November 30, 2014, the following options were outstanding and exercisable:

| Expiry Date      | Weighted<br>Average Exercise<br>Price | Number of Options<br>Outstanding | Weighted Average<br>Remaining in<br>Years | Number of Options<br>Exercisable |
|------------------|---------------------------------------|----------------------------------|-------------------------------------------|----------------------------------|
| January 11, 2015 | \$0.10                                | 99,000                           | 0.12                                      | 99,000                           |
| January 11, 2016 | \$0.10                                | 159,500                          | 1.12                                      | 159,500                          |
| October 28, 2016 | \$0.10                                | 160,500                          | 1.91                                      | 160,500                          |
| June 6, 2018     | \$0.10                                | 1,030,000                        | 3.52                                      | 1,030,000                        |
|                  | <b>\$0.10</b>                         | <b>1,449,000</b>                 | <b>2.84</b>                               | <b>1,449,000</b>                 |

During the year ended February 28, 2014, 33,000 incentive stock options with an exercise price of \$0.10 were forfeited and 66,000 incentive stock options with an exercise price of \$0.10 expired without exercise.

#### (e) Flow-Through Shares

##### Nine-month Period Ended November 30, 2014

During the nine-month period ended November 30, 2014, the Company issued 900,000 flow-through units priced at \$0.05 per unit for total proceeds of \$45,000. These funds must be used for qualifying exploration expenditures and will be renounced to the flow-through shareholders effective December 31, 2015. At November 30, 2014, the total unspent proceeds from these flow-through issuances was \$25,179 and this amount must be spent by the required deadline of December 31, 2015.

##### Fiscal Year Ended February 28, 2014

During the year ended February 28, 2014, the Company issued 1,808,000 flow-through common shares for total proceeds of \$90,400. These funds must be used for qualifying exploration expenditures and will be renounced to the flow-through shareholders effective December 31, 2013. At November 30, 2014 (February 28, 2014: \$17,042), the total unspent proceeds from these flow-through issuances was \$Nil.

##### Fiscal Year Ended February 28, 2013

During the fiscal year ended February 28, 2013, the Company issued 1,000,000 flow-through common shares for total proceeds of \$100,000. These funds must be used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2012. At February 28, 2014, the total unspent proceeds from these flow-through issuances was \$Nil.

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

### 10. Related Party Transactions

#### (a) Related Parties

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 Former Chief Financial Officer. The nature of the Company's relationships with its related parties is as follows:

|                                                     | Nature of Relationship |
|-----------------------------------------------------|------------------------|
| President and CEO                                   | Management             |
| Paul Wojdak Consulting (VP of Exploration)          | Management             |
| Larry M. Okada Inc. (Former CFO)                    | Management             |
| White Label Corporate Services Inc. (CFO in common) | Management             |

The Company incurred fees and expenses in the normal course of operations in connection with its President and CEO, its Vice President of Exploration and its CFO. Details are as follows:

|                              | Note | November 30, 2014 | November 30, 2013 |
|------------------------------|------|-------------------|-------------------|
| Management fees              | (i)  | \$ 165,309        | \$ 244,167        |
| <b>Total Management Fees</b> | (ii) | <b>\$ 165,309</b> | <b>\$ 244,167</b> |

- (i) During the nine-month period ended November 30, 2014, the Company paid or accrued consulting fees to its President and Chief Executive Officer. The total amount paid was \$Nil (November 30, 2013 - \$50,167) and \$92,500 (November 30, 2013 - \$81,083) has been accrued. The Company paid or accrued fees to a private company controlled by its Vice President of Exploration for consulting services. The total amount paid during the nine-month period ended November 30, 2014 was \$11,909 (November 30, 2013 - \$Nil) and \$24,809 (November 30, 2013 - \$Nil) has been accrued. The Company also paid or accrued fees to a private company controlled by its former Chief Financial Officer for consulting services. The total amount paid during the nine-month period ended November 30, 2014 was \$Nil (November 30, 2013 - \$Nil) and \$17,000 (November 30, 2013 - \$45,000) has been accrued. The Company also paid or accrued fees to a private company controlled by its current Chief Financial Officer for consulting services. The total amount paid during the nine-month period ended November 30, 2014 was \$9,000 (November 30, 2013 - \$Nil) and \$31,000 (November 30, 2013 - \$30,000) 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, 2014 is \$95,658 (November 30, 2013 - \$84,669) owing to the Company's President and Chief Executive Officer, \$44,100 (November 30, 2013 - \$53,349) owing to the Company's Former Chief Financial Officer \$7,245 (November 30, 2013 - \$Nil) owing to the Company's VP of Exploration, and \$23,200 (November 30, 2013 - \$Nil) owing the White Label Corporate Services Inc, a company with an officer in common. These amounts owing are for unpaid compensation and expenses.

#### (b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the nine-month period ended November 30, 2014 and 2013 were as follows:

|                          | Note | November 30, 2014 | November 30, 2013 |
|--------------------------|------|-------------------|-------------------|
| Management fees          | (i)  | \$ 165,309        | \$ 244,167        |
| Share-based compensation | (ii) | Nil               | 32,038            |
|                          |      | <b>\$ 165,309</b> | <b>\$ 276,205</b> |

# BCGold Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

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### 10. Related Party Transactions - *continued*

#### (b) Compensation of Key Management Personnel - *continued*

- (i) Management fees include the fees disclosed in Note 10(a) above.
- (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-month periods ended November 30, 2014 and 2013.

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### 11. 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.

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### 12. 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 one other company. The 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 any of these two companies at the Company's then cost for the office space. The lease has an expiry date of April 30, 2016.

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### 13. Fair Value Measurement

Certain of the Company's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company does not have any non-financial assets and liabilities measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value our financial assets and liabilities are described below:

#### **Level 1 – Quoted Prices in Active Markets for Identical Assets or Liabilities**

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Short-term investments and marketable securities are valued using quoted market prices in active markets. Accordingly, these items are included in Level 1 of the fair value hierarchy.

#### **Level 2 – Significant Other Observable Inputs**

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. The Company does not have any financial assets or liabilities included in Level 2 of the fair value hierarchy.

#### **Level 3 – Significant Unobservable Inputs**

Unobservable (supported by little or no market activity) prices. The Company does not have any financial assets or liabilities included in Level 3 of the fair value hierarchy.

# BCGold Corp.

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## Notes to the Interim Condensed Financial Statements

For the nine-month period ended November 30, 2014

(Canadian Funds)

(Unaudited – Prepared by Management)

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### 13. Fair Value Measurement - continued

The fair values of the Company's financial assets and liabilities measured at fair value on a recurring basis as at November 30, 2014 and February 28, 2014 are summarized in the following table:

|                        | Level | November 30, 2014 | February 28, 2014 |
|------------------------|-------|-------------------|-------------------|
| Short-term investments | 1     | \$ -              | \$ 17,250         |
| Marketable securities  | 1     | \$ 13,575         | \$ 19,575         |

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### 14. Subsequent Events

#### (a) Private Placement

On December 18, 2014 the Company announced that closed the first tranche of its private placement previously announced on October 2, 2014 (see news release October 2, 2014). The Company has raised \$121,720 through the issuance of 6,086,000 units ("Units") priced at \$0.02 per Unit. Each Unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.05 per share for up to two years after the date of issuance. The Company paid finder's fees of \$7,000 and issued 350,000 finder warrants, each of which entitle the holder to purchase one BCGold common share at a price of \$0.05 per share for up to two years after the date of issuance. All securities are subject to a four month hold period expiring April 19, 2015.

#### (b) Shares for Debt Transaction

Subsequent to the quarter end the Company received written approval from six creditors to write off up to 50% of monies owed by the Company, totalling \$93,073. In addition some of the above creditors agreed to take the remainder in a 50/50 combination of cash and shares in a near-term shares-for-debt transaction. The Company is working towards closing a final tranche of its current 2 cent financing, with a 2-year 5 cent warrant, prior to this.

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