

**Management Discussion and Analysis  
For  
BCGold Corp. (“BCGold” or the “Company”)**

Containing information up to and including July 18, 2007

**Note to Reader**

Readers of the following management discussion and analysis should refer to the Company's audited financial statements for the year ended February 28, 2007 and the related Annual Management Discussion and Analysis (“Annual MD&A”) dated June 18, 2007. The following discussion (the “Interim MD&A”) is an update to the Company's Annual MD&A.

This interim MD&A should be read in conjunction with the Company's unaudited financial statements for the three months ended May 31, 2007 together with the notes thereto. The interim financial statements for the three months ended May 31, 2007 have been prepared by management in accordance with generally accepted Canadian accounting principles and expressed in Canadian Dollars.

**Forward-Looking Information**

When used in this document, words like “anticipate”, “believe”, “estimate”, “expect” and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

**Overall Performance**

BCGold Corp. completed its Qualifying Transaction on September 15, 2006 and is now an exploration stage enterprise focusing on the acquisition, exploration and development of gold and other precious and base metal properties. On September 15, 2006 upon acceptance of the Company's qualifying transaction, the shares commenced trading under the symbol BCG on the TSX-V.

Highlights of the Company's activities during the quarter ended May 31, 2007:

***Financing and Corporate***

- In March 2007, the Company completed a private placement of 6,125,844 units at \$0.70 per unit for gross proceeds of \$4,288,090. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole such warrant will entitle the holder to purchase one additional common share at a price of \$1.00 per share for a period of two years after the date of issuance.

***Property Agreements***

- In accordance with a letter of intent signed on September 15, 2006 with Stealth Minerals Limited (“Stealth”), in March 2007 the Company selected three of Stealth's Toodoggone properties, namely, Sickie-Sofia, FogMess and Louis for option. The Company can earn a 51% interest in each of the properties by spending \$1 million on each property over a three year period and a 60% interest by spending \$2 million on each property over a four year period. BCGold's interest in any of the three properties can be increased to 75% by producing a bankable feasibility study. A NI 43-101 Technical Report was completed on the

Sickle-Sofia copper-gold porphyry prospect and is available on SEDAR.com. The Company also purchased 1,750,000 shares of Stealth at \$0.20 per share for a total of \$350,000. The Company also issued to Stealth 450,000 units consisting of 450,000 BCGold Corp common shares and 450,000 warrants. Each two warrants entitles Stealth to acquire one common share at a price of \$0.75 per share expiring April 2, 2008.

### ***Exploration***

#### *Voigtberg Au-Cu-Mo Porphyry Property, Northwestern BC*

In January of 2007, BGGold staked an additional 850 hectares of mineral claims adjoining the Voigtberg Property in northern British Columbia. These additional claims increased the land holdings at Voigtberg to a total of 2,900 hectares.

A detailed geological compilation of the Voigtberg area was initiated after an encouraging diamond drill program was completed in the fall of 2006 resulting in new discoveries of gold and zinc on the Voigtberg Property. This work uncovered additional targets that were subsequently staked. The geological target at Voigtberg is a bulk tonnage "porphyry" system that can host gold, copper and other base metals.

The 2007 budget for exploration of the Voigtberg property is \$570,000. Major expenditures for this quarter will include an airborne geophysical survey and diamond drill program. A total of \$137,500 is budgeted for the completion of a 412 line kilometre EM/Magnetometer geophysical survey to be conducted by Fugro Airborne Surveys in late July. An additional 800 metres of diamond drilling will be conducted in August at a cost of approximately \$125,000. The remainder of the exploration budget will be allocated towards helicopter support, assay costs and project management fees to be paid to Equity Engineering Ltd.

#### *Toodoggone Region, Northwestern BC*

There were no major exploration expenditures on the Toodoggone properties this past quarter. The 2007 exploration budget for the Toodoggone properties (Sickle-Sofia, Louis and Fog Mess) is \$1,500,000.

The Sickle-Sofia property (*Au-Cu-Mo Porphyry*) will be the main focus of exploration expenditures for the next quarter of 2007. A 3,000 metre diamond drill program scheduled to commence in August and will be contracted to Multi Drilling Inc. of Rouyn-Noranda, QC. The estimated cost of the drill program is \$600,000. Prior to diamond drilling, Peter Walcott and Assoc. will conduct 27 line kilometres of induced polarization and magnetometer surveys on the Sickle-Sofia grid to define additional diamond drill targets. The survey and subsequent report will cost an estimated \$51,000. A total of \$125,000 is budgeted for 100 hours of helicopter support. Line cutting expenses, pad building, assays, logistics and wages are expected to draw an additional \$225,000 in expenditures. The budget includes a 20% contingency fund. The remaining \$300,000 of the exploration budget will be available to extend the diamond drill program into the Fall if promising intercepts are drilled in the first 3,000 metres,

#### *Engineer Mine, Atlin, BC*

There were no major exploration expenditures on the Engineer Mine this past quarter. The 2007 exploration budget for Engineer Mine is approximately \$440,000.

Golder Associates Ltd. was commissioned to conduct an environmental scoping study at Engineer Mine. The estimated cost of this baseline review is \$27,000. Additional work in the next quarter will include limited dewatering and rehabilitation of certain mine workings. A structural study of the Engineer Vein system and a limited program of underground mapping and sampling will be conducted upon completion of mine rehabilitation.

*Carmacks Cu-Au Project, Central Yukon*

There were no major exploration expenditures on the Carmacks Copper-Gold Properties this past quarter. The 2007 exploration budget for the Carmacks Properties is \$1,500,000.

Recent highlights for this project include the staking of an additional 210 mineral claims (4,214 hectares), at a cost of \$22,260. The recently acquired claims consolidate the Company's ground position over newly defined copper-gold targets and mineralized showings in the vicinity of the Carmacks (Williams Creek) copper-gold deposit. More specifically, claims were staked to broaden coverage over a recent copper-oxide discovery in foliated granitic rocks on the Company's Ice claims. A detailed site investigation and sampling program was conducted by A. Brown, P. Geo. (BCGold Corp) and Aurum Geological Consultants Inc. in early May. Assay results from six grab and channel samples ranged up to 1.83% Cu, 0.25 g/t Au and 1.28% Cu, 0.41 g/t Au. A mineralized strike length of approximately 80 metres has been defined to date.

BCGold is the largest landholder in the Carmacks Copper-Gold Belt, holding title to 17 mineral properties (16,274 hectares) situated proximal and adjacent to Sherwood Copper Corp.'s Minto deposit and Western Copper Corporation's Carmacks (Williams Creek) deposits.

Major exploration expenditures for the next quarter of 2007 will include \$296,000 for the completion of an airborne magnetic and radiometric survey by Aeroquest Ltd. in early June, followed by a 1200m of diamond drilling at an estimated cost of \$225,000. A comprehensive program of soil sampling, trenching, prospecting and geological mapping was initiated in late May of this year. The regional geological program, including project management, helicopter support and an extensive soil sampling program will cost approximately \$720,000. The budget includes a 20% contingency fund. Approximately \$85,000 of the soil sampling budget will be funded through grants from the Yukon Energy, Mines and Resources' Yukon Mining Incentives Program (YMIP).

**Subsequent to the quarter ended May 31, 2007:**

- In June 2007 the Company announced the commissioning of Fugro Airborne Surveys Corp. to conduct an airborne geophysical survey on the Voigtberg Property. The survey results will establish priority targets for the 2007 summer exploration program which will have a significant diamond drilling component.
- In June 2007 BCGold commenced a \$1.5 million exploration program on its Carmacks Copper-Gold Properties in Yukon. The work program will consist of an airborne geophysical survey, prospecting, geological and geochemical surveys, trenching, mapping and sampling, a structural targeting survey and a follow-up diamond drill program scheduled to commence in mid-late August.
- In June 2007 the Company confirmed significant "Carmacks-style" copper oxide and gold mineralization (the ICE Zone) occurs on the Company's ICE claims, situated seven kilometers southward of Western Copper Corporation's Carmacks (Williams Creek) deposits and property, 220 kilometres north of Whitehorse, Yukon. Six rock samples with grades up to 1.83% Cu, 0.25 g/t Au and 1.28% Cu, 0.41 g/t Au were collected from a series of granitic outcrops over a partially exposed strike length of 80 metres.
- In June 2007 BCGold appointed Mr. Guy Le Bel as a director of the Company. Mr. Le Bel is currently Vice President, Business Development of Quadra Mining Ltd. ("Quadra") and has over 20 years experience in the mining industry, focusing on evaluation, financial analysis and strategic and business planning. Mr. Le Bel received his Bachelor of Applied Sciences in Mining Engineering from the Laval University in 1980, his Masters from the University of British Columbia in 1983, and his MBA from L'École de Hautes Études Commerciales in 1990. Mr. Le Bel is a licensed member of the Ordre des Ingénieurs du Québec (OIQ).

The Company is an exploration stage company that engages primarily in the acquisition, exploration and development of resource properties. The Company capitalizes all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined from exploration results, and the amount and timing of the Company's write-offs of capitalized resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. During the three month period ended May 31, 2007, a total of \$731,950 of resource property costs were capitalized and \$4,500 of resource property costs were written-off.

## Results of Operations

As BCGold is in the exploration phase and its current properties are in the early stages of exploration, none of the Company's current properties are in production. Therefore, mineral exploration expenditures are capitalized and losses are incurred as a result of administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interest, the Company will report an annual deficit and will rely on its ability to obtain equity/or debt financing to fund on-going operations.

Additional financing is required for new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

### Three Months Ended May 31, 2007

Net income for the three months ended May 31, 2007 was \$10,357 or \$0.00 per share, after provision for future tax recovery of \$265,608 against loss from operations of \$289,853; before interest income of \$10,967, gain on foreign exchange of \$28,135, and write-off of resource property costs of \$4,500 (May 31, 2006, Net Loss - \$42,061 or \$0.02 per share).

Operating expenses for the three months ended May 31, 2007 totalled \$289,853 (2006 - \$42,504). The increase in operating expenses was a result of the company's operations now reflecting the impact of an operating public company with its infrastructure in place.

Significant operating expenditures are as follows:

- Wages and consulting fees of \$138,543 (2006 - Nil) resulting from the payments to the Company's senior officers for time spent on the Company's operating activities, and other non-property related consulting services.
- Travel and conference expenses of \$38,490 (2006 - Nil). During the current period the company had its senior geological and investment relations personnel attend several technical and investor's conferences.

- Professional fees of \$36,947 (2006 - \$28,348) resulting from the fees incurred during the audit of the February 28, 2007 year end and the ongoing legal and accounting fees incurred in the day to day operations of the Company.
- Office and administration of \$30,492 (2006 - \$61). Office and administration has increased as the company has established its operations and is now incurring ongoing expenses for telephone, office supplies and has purchased a liability insurance policy which cover the officers and directors.

All other operating costs, excluding amortization during the period ended May 31, 2007 totalled \$43,168 (2006 - \$14,095) representing 15% (2006 – 33%) of total operating expenses including corporate listing and filing fees, investor relations expenditures, rent and transfer agent fees.

### Selected Annual Financial Information

Year ended	February 28, 2007	February 28, 2006
Current assets and GIC	\$ 2,313,903	\$ 135,840
Resource properties and deposit	\$ 795,393	Nil
Property and equipment	\$ 15,781	Nil
Total Assets	\$ 3,125,077	\$ 135,840
Current liabilities	\$ 1,065,664	Nil
Total revenue	Nil	Nil
Net loss	\$ (494,021)	\$ (14,160)
Basic loss per share	\$ (0.07)	\$ (0.01)
Weighted Avg. shares	6,687,374	1,285,715

Selected audited financial data for annual operations of BCGold Corp. during the periods ended February 28, 2007 and 2006:

### Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the quarter

ended May 31, 2007 and the previous five quarters.

	May 31, 2007	February 28, 2007	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006
Current assets	4,781,386	2,313,903	705,787	677,096	124,685	135,840
Resource properties and permits and bond	1,527,343	795,393	437,193	10,455	Nil	Nil
Current liabilities	193,503	1,065,664	31,462	Nil	30,906	Nil
Loss from operations	(289,853)	(211,144)	(255,410)	(76,662)	(42,504)	(14,160)
Write-off of mineral interest	(4,500)	Nil	(991)	(6,964)	Nil	Nil
Net income (loss)	10,357	(48,622)	(323,003)	(80,335)	(42,061)	(14,160)
Basic income (loss) per share	0.00	(0.00)	(0.04)	(0.01)	(0.02)	(0.01)
Weighted Avg. Shares	16,218,987	9,780,280	8,253,283	5,738,043	1,770,455	1,285,715

**Note:**

\*Items for quarter February 28, 2006 are for the 18 day period from incorporation February 10, 2006 to February 28, 2007.

## Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash inflows. At May 31, 2007, the Company had working capital of \$4,587,883 (February 28, 2007- \$1,248,239).

Cash and cash equivalents totalled \$4,207,276 as at February 28, 2007 (February 28, 2007 – \$2,174,759)

### Three Months Ended May 31, 2007

Cash and cash equivalents increased by \$2,174,759 during the three months ended May 31, 2007 from \$2,032,517 to \$4,207,276.

Cash utilized in operating activities during the three months ended May 31, 2007 was \$248,538 (2006 – \$42,061) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities was \$400,787 for 2007 (2006 - \$13,464).

Cash used for investing activities during the three months ended May 31, 2007 was \$719,275 (2006 - \$100,000). The investing activities were as follows: acquisition of marketable securities \$199,500 (2006 – Nil), acquisition and exploration of resource properties of \$490,501 (2006 – Nil), \$15,697 for the purchase of equipment (2006 - Nil).

During the three months ended May 31, 2007, the Company's cash flows from financing activities, being proceeds from share and warrant issuances and receipt of funds for future share issuances totalled \$3,152,579 (2006 – Nil).

At February 28, 2007, the Company's investment in resource properties aggregated \$1,527,343 (February 28, 2007 - \$795,393) and equipment, net of amortization, was \$29,265 (February 28, 2007 - \$15,781).

At May 31, 2007, share capital of \$5,675,030 comprised of 17,243,590 issued and outstanding common shares (February 28, 2007 - \$2,150,480, comprising of 10,650,246 outstanding common shares). Contributed Surplus which arises from the recognition of the estimated fair value of stock options was \$142,529 (February 28, 2007 – \$142,529) and share purchase warrants totalled \$853,506 (February 28, 2007 - \$274,585).

As a result of the net income for the period of \$10,357, and the transitional adjustment to the opening balance on the adoption of the new accounting policy covering Financial Instruments totalling \$3,750, the deficit at May 31, 2007 decreased to \$494,074 from \$508,181 at February 28, 2007. Accordingly, shareholders equity was \$6,144,491 as compared to \$2,059,413 at February 28, 2007.

At present, the Company's operations do not generate cash inflows and its financial success is dependant on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

The Company currently has sufficient financial resources to meet its administrative overhead expenses and exploration expenditures for at least the next twelve months and is confident that it can raise additional funds to undertake its planned exploration activities.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for

mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

### Exploration Update

Fiscal 2007 was the initial year of activity for BCGold.

	Acquisition Costs	Exploration Costs	<b>Balance as at May 31, 2007</b>
Carmacks, Copper Gold Project, Yukon	\$ 381,616	\$ 104,024	\$ 485,640
Engineer, British Columbia	10	24,204	24,214
Toodoggone, British Columbia	458,955	60,595	519,550
Voigtberg, British Columbia	35,337	439,782	475,119
Other Properties, British Columbia	22,820	-	22,820
	<b>\$ 898,738</b>	<b>\$ 628,605</b>	<b>\$ 1,527,343</b>

### Toodoggone, Northwestern British Columbia

On September 15, 2006 the Company signed a letter of intent with Stealth Minerals Limited ("Stealth") to earn up to a 75% interest in 3 properties from Stealth's Toodoggone property portfolio in north-central British Columbia. Under the terms of the Agreement, Stealth divided its 62,845 hectare Toodoggone land position into eleven properties. The Agreement enabled the Company to review all exploration data for the eleven properties and select any three properties by March 31, 2007, in exchange for the company agreeing to subscribe for an aggregate of 2,500,000 common shares of Stealth at a price of \$0.20 per share on or before March 31, 2007 (750,000 purchased by February 28, 2007). In March 2007 the Company selected the Sickie-Sofia, FogMess and Louis properties for option and issued the shares and warrants mentioned below.

The Company can then earn a 51% interest in each of the three selected properties by issuing 150,000 common shares and 75,000 common share purchase warrants (each exercisable for a one year period at a price equal to 125% of the 20 day average closing price of the common shares of the Company ending on the trading day prior to the date of issuance) (issued) to Stealth for each property within 10 business days of the date of selection of the three properties and spending \$1 million on each property over a three year period. The Company can increase its interest on any one property to 60% by spending an additional \$1 million (\$2 million total) on each property over a four year period and can further increase its interest to 75% by producing a bankable feasibility study on any one property. The Company will be the operator of the selected properties. A portion (13,967 hectares or 22.2%) of the eleven properties are subject to an underlying 3% net smelter royalty held by a third party. The Company can reduce the NSR through cash payments.

There were no major exploration expenditures on the Toodoggone properties this past year beyond the initial due diligence. The 2007 exploration budget for the Toodoggone properties (Sickie-Sofia, Louis and Fog Mess) is \$1,500,000.

The Sickie-Sofia property (*Au-Cu-Mo Porphyry*) will be the main focus of exploration expenditures for the next Quarter. A 3000 metre diamond drill program is to commence in August and has been contracted to Multi Drilling Inc. of Rouyn-Noranda, QC. The estimated cost of the drill program is \$600,000. Prior to diamond drilling, Peter Walcott and Assoc. will conduct 27 line kilometres of induced polarization and a magnetometer survey on the Sickie-Sofia grid to define additional diamond drill targets. The survey and subsequent report will cost an estimated \$51,000. A total of \$125,000 is budgeted for 100 hours of helicopter support. Line cutting

expenses, pad building, assays, logistics and wages are expected to draw an additional \$225,000 in expenditures. The budget includes a 20% contingency fund.

### **Engineer, British Columbia**

The Company has entered into a letter of intent with Engineer Mining Corp. ("EMC") to acquire 100% interest in the Engineer Mine located west of Atlin, BC. Under the terms of the option, BCGold will acquire a 51% interest by paying an aggregate of \$250,000 and issuing an aggregate of 375,000 common shares and 325,000 share purchase warrants to EMC in the first two years. BCGold will then acquire:

an additional 9% interest by issuing \$150,000 in common shares of BCGold and 75,000 share purchase warrants to EMC in the third year;

an additional 15% interest by paying \$200,000 (or issuing \$200,000 in common shares of BCGold, at BCGold's option) and 100,000 share purchase warrants to EMC in the fourth year; and

an additional 25% interest by paying \$400,000 (or issuing \$400,000 in common shares of BCGold, at BCGold's option) and 100,000 share purchase warrants to EMC in the fifth year.

All payments and issuances may be accelerated at BCGold's option. The issue price per common share in the third through fifth years will be determined by taking the weighted average closing price of the common shares of BCGold for the twenty consecutive trading days immediately prior to the date of issuance.

Each share purchase warrant will be exercisable to purchase one common share of BCGold for two years following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of BCGold for the twenty consecutive trading days immediately prior to the date of issuance plus 25%.

BCGold will be entitled to permit EMC to inspect and mine selected ore-shoots within the property following de-watering of the property on terms to be negotiated in good faith between the parties, on the basis that EMC will reimburse BCGold for the costs of the de-watering and will pay BCGold a 12.5% gross return royalty from any ore production.

EMC currently holds an 80% interest in the property, with the remaining 20% interest being held by Winslow Gold Corp. ("Winslow"). EMC has agreed to use its commercially reasonable best efforts to acquire as soon as possible from Winslow the remaining 20% interest in the property. The agreement between BCGold and EMC will terminate effective June 30, 2007 in the event EMC has not acquired such interest. The Company was informed by EMC the remaining interest has been acquired.

There were no major exploration expenditures on the Engineer Mine this past year. The 2007 exploration budget for Engineer Mine is budgeted at approximately \$440,000. Golder Associates Ltd. has been commissioned by BCGold to conduct an environmental scoping study at Engineer Mine. The estimated cost of this baseline review is \$27,000. Additional work in 2007 will include dewatering and rehabilitation of certain mine workings and a geological structural study of the Engineer Vein system. A limited program of underground sampling will be conducted upon completion of mine re-hab.

### **Carmacks, Yukon**

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

Payments:

i)	\$	100,000	On or before April 15, 2007; (Paid)
ii)	\$	50,000	on or before October 15, 2007
iii)	\$	50,000	on or before October 15, 2008
iv)	\$	50,000	on or before October 15, 2009
v)	\$	<u>50,000</u>	on or before October 15, 2010
	\$	<u>300,000</u>	

Minimum Expenditures:

i)	\$	150,000	on or before October 15, 2007
ii)	\$	250,000	on or before October 15, 2008
iii)	\$	250,000	on or before October 15, 2009
iv)	\$	<u>250,000</u>	on or before October 15, 2010
	\$	<u>900,000</u>	

Unit issuances:

i)	300,000	Within 5 days of the acceptance of the agreement by the TSX Venture Exchange (Issued)
ii)	200,000	on or before October 15, 2007
iii)	200,000	on or before October 15, 2008
iv)	200,000	on or before October 15, 2009
v)	<u>100,000</u>	on or before October 15, 2010
	<u>1,000,000</u>	

Each "Unit" will consist of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one common share of BCGold for two years following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of BCGold on the TSX Venture Exchange (or such other stock exchange or quotation system as BCGold's shares may be traded or quoted on) for the twenty consecutive trading days immediately prior to the date of issuance plus 25%. All of the payment, expenditure and Unit obligations may be accelerated at BCGold's option. The agreement was accepted by the TSX Venture exchange in February 2008.

There were no major exploration expenditures on the Carmacks Cu-Au Project this past year. The 2007 exploration budget for the Carmacks Project is \$1,500,000. Recent highlights for this project include the staking of an additional 210 mineral claims (4,214 hectares). The recently acquired claims consolidate the Company's ground position over newly defined copper-gold targets and mineralized showings in the vicinity of the Carmacks (Williams Creek) copper-gold deposit. More specifically, claims were staked to broaden coverage over a recent copper-oxide discovery in foliated granitic rocks on the Company's Ice claims.

A detailed site investigation and sampling program was conducted by A. Brown, P.Geo. (BCGold Corp) and Aurum Geological Consultants Inc. in early May. The survey confirmed that significant surface copper-oxide and gold mineralization occurs on the Ice claims. Six rock samples with grades up to 1.83% Cu, 0.25 g/t Au and 1.28% Cu, 0.41 g/t Au were collected from a series of granitic outcrops over a partially exposed strike length of 80 metres. The granitic rock at the "Ice Zone" displays discrete zones of weak to moderate foliation dipping 25-30° to the northeast,

locally containing significant amounts of oxide copper mineralization in the form of malachite and secondary biotite (potassic) alteration.

Major exploration expenditures for the next Quarter of 2007 on the Carmacks Cu-Au Project will include \$296,000 for the completion of an airborne magnetic and radiometric survey to be conducted by Aeroquest Ltd. commencing in early June. The geophysical program will be followed by a 1200m diamond drill program at an estimated cost of \$225,000 scheduled for August. A comprehensive program of soil sampling, prospecting and geological mapping was initiated in late May of this year. The regional geological program, including project management, helicopter support and an extensive soil sampling program will cost an estimated \$720,000. A 20% contingency fund is included in the budget.

**Voigtberg, British Columbia**

On July 11, 2006 the Company entered into a of letter agreement with Kaminak Gold Corporation ("Kaminak") pursuant to which BCGold was granted an option to acquire up to a 70% interest in the Voigtberg Property located in the Iskut River Area, Liard Mining Division, British Columbia. This acquisition constituted the Company's Qualifying Transaction under Exchange policy.

BCGold may exercise its right to earn up to a 60% interest in the Voigtberg Property by making the following payments, unit issuances and incurring the minimum exploration expenditures as follows:

Minimum Expenditures:

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

Unit issuances:

i)	100,000	issued on September 15, 2007 (issued)
ii)	100,000	on or before September 15, 2008
iii)	100,000	on or before September 15, 2009
iv)	<u>100,000</u>	on or before September 15, 2010
	<u>400,000</u>	

Each "Unit" will consist of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one common share of BCGold for two years following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of BCGold on the TSX Venture Exchange (or such other stock exchange or quotation system as BCGold's shares may be traded or quoted on) for the twenty consecutive trading days immediately prior to the date of issuance plus 25%. All of the payment, expenditure and Unit obligations may be accelerated at BCGold's option. The Company will be the operator of the exploration program during the second to fourth years.

Upon incurring \$1,000,000 in exploration expenditures, BCGold will have earned a 50% interest in the Voigtberg Property and, upon the issuance of all of the Initial and Additional Units, incurring all of the expenditures and operating the exploration program as set out above, BCGold will have earned a 60% interest in the Voigtberg Property. BCGold may earn an additional 10% interest in

the Property by completing a bankable feasibility study, for an aggregate 70% interest in the Property.

The geological target at Voigtberg is a bulk tonnage "porphyry" system that can host gold, copper and other base metals. A detailed geological compilation of the Voigtberg area was initiated after an encouraging diamond drill program in the Fall of 2006 that resulted in a new discovery of gold (51.15m grading 1.03 g/t gold) and zinc on the property. This work prompted the Company to conduct additional staking in the area of the property.

In January of 2007, BCGold staked an additional 850 hectares of mineral claims adjoining the Voigtberg Property in northern British Columbia. These additional claims increased the land holdings at Voigtberg to a total of 2,900 hectares.

The 2007 budget for exploration of the Voigtberg property is estimated at \$570,000. Expenditures for this quarter will be directed towards a geophysical survey and diamond drilling. A total of \$137,500 is budgeted for the completion of 412 line kilometres of airborne EM/Magnetometer geophysical survey to be conducted by Fugro Airborne Surveys commencing in late July. An 800 metre diamond drill program will be conducted in August at a cost of approximately \$125,000. The remainder of the exploration budget will be directed towards helicopter support for the drill program, assay costs and project management and reporting fees to be paid to Equity Engineering Ltd.

## **Risks and Uncertainties**

The Company is in the business of acquiring, exploring and developing mineral properties, and is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no other source of revenue other than interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its resource properties.

The risks and uncertainties affecting the Company remain unchanged from those disclosed in its Annual MD&A.

## **Proposed Transactions**

At the present time, there are no proposed transactions that are required to be disclosed.

## **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning BCGold's general and administrative expenses and resource property costs is provided in the Company's Statement of Loss and Deficit and Schedule of Resource Property Costs contained in its audited Financial Statements for February 28, 2007 that is available on BCGold's website at [www.bcgoldcorp.com](http://www.bcgoldcorp.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

## Outstanding Share Data

BCGold's authorized capital is unlimited common shares without par value. As at July 18, 2007, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at July 18, 2007	17,243,590		
Warrants			
Share purchase warrants	50,000	\$0.40	September 15, 2007
	937,374	\$0.50	September 15, 2007
	379,500	\$0.55	September 15, 2007
	714,000	\$0.80	December 29, 2007
	150,000	\$0.75	February 23, 2009
	3,062,922	\$1.00	March 13, 2009
	225,000	\$0.75	April 2, 2008
Employee Stock Options	520,000	\$0.10	June 5, 2011
	300,000	\$0.45	September 15, 2011
Fully Diluted at July 18, 2007	<b>23,582,386</b>		

## Transactions with Related Parties

All of the options granted in June 2006 and September 2006 were to directors and officers of the Company.

During the year the Company incurred rent expenditures of \$17,798 to Companies with a director in common. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Accounting Policies and Changes to Prior Year:

During the period ended May 31, 2007, the Company adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income effective for the current fiscal year. This requires that all non-derivative financial assets be measured at fair value with changes in fair value of available-for-sale marketable securities disclosed in other comprehensive income. Since this is the first year in which this policy has been applied, the opening balance of accumulated other comprehensive income includes the difference between cost and fair value for marketable securities at the end of the previous fiscal year. The current quarter's gains or losses in value are recognized in other comprehensive income.

When securities are sold and gains or losses are realized, these gains or losses will be removed from other comprehensive income and reported in the Statement of Loss and Deficit. The transition provisions do not require restatement of previous financial statements. The fair values of securities which are traded on a recognized exchange are reported at the closing price on the balance sheet date or the last date on which the shares traded. When the Company's holdings exceed 20 days of average trading volume, appropriate discounts from closing price will be applied to reflect the net realizable market value.

## **Recent Developments and Outlook**

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its resource properties.

## **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash and cash equivalents, restricted cash, marketable securities, GST receivable and payable, accounts payable and accrued liabilities, and amounts due to related parties. Unless otherwise noted, it is management's opinion that BCGold is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. It is the opinion of management, however, that the foreign exchange risk to which the Company is exposed is minimal.

## **Critical Accounting Estimates**

The Company's accounting policies are presented in note 3 of the February 28, 2007 audited financial statements. The preparation of financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of mineral properties; and
- the valuation of stock-based compensation expense.

### ***Mineral properties and deferred exploration costs***

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof. The discovery or establishment of adequate reserves is dependent on successful exploration. Competition for exploration resources at all levels is currently very intense, particularly affecting availability of manpower, drill rigs and helicopters. As a result of this, and other factors inherent in exploration, the Company has uncertainty that it will be able to carry out its planned exploration programs.

### ***Stock-based compensation expense***

From time to time, the Company may grant share purchase options to directors, employees, and service providers. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model, and other models which are used to value options, require inputs such as expected volatility, expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the stock-based compensation recorded in a period.

### **Disclosure Controls and Procedures**

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the year ended February 28, 2007 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at May 31, 2007. Based on this evaluation, it was determined that certain weaknesses existed in its disclosure controls. In addition, the Company has not fully completed its review and evaluation of the design of internal control over financial reporting as envisioned under 52-109. The Company expects to complete its assessment in Fiscal 2008. As is indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting.

### **Approval**

The Board of Directors of BCGold has approved the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.

## Additional Information

Additional Information relating to BCGold Corp, is on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting:

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Email: [fsmith@bcgoldcorp.com](mailto:fsmith@bcgoldcorp.com)  
Attention: Freeman Smith VP of Corporate Development

/s/ "Brian Fowler"  
Brian Fowler  
President and Chief Executive Officer

/s/ "Peter Kendrick"  
Peter Kendrick  
Chief Financial Officer