

BCGOLD CORP.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED AUGUST 31, 2006

In Canadian Funds

Unaudited - Prepared by Management

Notice of Non-review of Interim Financial Statements

The attached interim consolidated financial statements for the six month period ended August 31, 2006 have not been reviewed by the company's auditors.

BCGold Corp.
(An Exploration Stage Company)
Balance Sheets

Canadian Funds
 Unaudited – Prepared by Management

Statement 1

	As at August 31, 2006 (Unaudited)	As at Feb.28, 2006 (Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 369,740	\$ 135,778
Short-term investments	298,355	-
Interest receivable	3,597	62
GST receivable	5,054	-
Prepaid expenses	350	-
	<u>677,096</u>	<u>135,840</u>
Resource Property Costs	10,455	-
Equipment (Note 6)	665	-
	<u>\$ 688,216</u>	<u>\$ 135,840</u>
LIABILITIES		
Current		
Accounts payable and accruals	\$ -	-
Continued Operations (Note 2)		
SHAREHOLDERS' EQUITY		
Share subscriptions received in advance (Note 8)	378,301	-
Share Capital (Note 8)	406,796	150,000
Contributed Surplus (Note 8e)	39,675	-
Deficit - Statement 2	<u>(136,556)</u>	<u>(14,160)</u>
	<u>688,216</u>	<u>135,840</u>
	<u>\$ 688,216</u>	<u>\$ 135,840</u>

ON BEHALF OF THE BOARD:

/s/“Freeman Smith”, President & CEO , Director

/s/“Peter Kendrick”, CFO , Director

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

Statement 2

Canadian Funds
 Unaudited – Prepared by Management

	For the Three Months Ended August 31, 2006 (Unaudited)	For the Six Months Ended August 31, 2006 (Unaudited)	From Feb.10, 2006 to Feb. 28, 2006 (Audited)
Expenses			
Accounting fees	\$ 963	\$ 8,083	\$ -
Amortization	44	44	-
Bank charges and interest	197	258	148
Consulting fees	500	500	-
Legal fees	17,491	38,719	5,000
Listing and filing fees	15,747	29,842	9,012
Office and sundry	637	637	-
Stock-based compensation	39,675	39,675	-
Telephone	233	233	-
Transfer agent	725	725	-
Travel and conferences	450	450	-
Loss Before the Following	(76,662)	(119,166)	(14,160)
Interest income	3,291	3,734	-
Write off of resource property costs	(6,964)	(6,964)	-
Net Loss for the Period	(80,335)	(122,396)	(14,160)
Deficit – Beginning of Period	(56,221)	(14,160)	-
Deficit – End of Period	\$ (136,556)	\$ (136,556)	\$ (14,160)
Loss per Share – Basic and Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	5,738,043	5,738,043	1,285,715

- See Accompanying Notes -

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

Statement 3

Canadian Funds
 Unaudited – Prepared by Management

Cash Resources Provided By (Used In)	For the Three Months Ended August 31, 2006 (Unaudited)	For the Six Months Ended August 31, 2006 (Unaudited)	From Feb.10, 2006 to Feb.28, 2006 (Audited)
Operating Activities			
Net loss for the period	\$ (80,335)	\$ (122,396)	\$ (14,160)
Items not affected by cash:			
Amortization	44	44	-
Write off of resource property costs	6,964	6,964	-
Stock based compensation	39,675	39,675	-
	(33,652)	(75,713)	(14,160)
Changes in non-cash working capital			
Interest receivable	(3,229)	(3,535)	(62)
GST receivable	(3,093)	(5,054)	-
Prepaid expenses	(308)	(350)	-
Trade payables	(30,906)	-	-
	(71,188)	(84,652)	(14,222)
Investing Activities			
Purchase of short-term investments	(198,355)	(298,355)	-
Investment in mineral properties	(17,419)	(17,419)	-
Purchase of fixed assets	(709)	(709)	-
	(216,483)	(316,483)	-
Financing Activities			
Receipt of funds for future issuance of share capital	378,301	378,301	-
Issuance of share capital, net	256,796	256,796	150,000
	635,097	635,097	150,000
Net Increase in Cash for the period	347,426	233,962	135,778
Cash and Cash Equivalents – Beginning of the period	22,314	135,778	-
Cash and Cash Equivalents – End of the period	\$ 369,740	\$ 369,740	\$ 135,778

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

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

1. Nature of Operations

BCGold Corp. (“the Company”) was incorporated under the Business Corporations Act of British Columbia on February 10, 2006 as 0748496 B.C. Ltd. and is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. On March 1, 2006, the Company changed its name to BCGold Corp. The principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified, to negotiate an acquisition or participation.

On May 4, 2006, the Company filed a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering 2,800,000 common shares at \$0.10 per share as an initial public offering which was approved effective May 8, 2006. The offering was completed after May 31, 2006 (*Note 7(a)(ii)*).

The shares of the Company commenced trading as a Capital Pool Company on the TSX-V, on June 8, 2006.

2. Continued Operations

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continued existence is dependent upon its ability to raise additional financing and to generate profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned, such as future equity financings, search for optionees on resource properties, will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these consolidated financial statements.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

3. Significant Accounting Policies

a) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with maturities at point of purchase of 90 days or less. The Company places its cash and cash investments with institutes of high credit worthiness.

BCGold Corp.
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Notes to the Financial Statements

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

3. Significant Accounting Policies – Continued

b) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

c) Resource Property Costs

The Company records its interest in mineral properties and areas of geological interest at cost. Costs relating to these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. These costs will be amortized over the estimated useful life of the property following commencement of production, or written off if the mineral properties or projects are sold or allowed to lapse. It is reasonably possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties and related deferred exploration costs could be written off.

The Company assesses its capitalized resource property costs on a regular basis. A property is written-down or written-off when the Company determines that a permanent impairment of value has occurred or when exploration results indicate that no further work is warranted. The Company will also reduce its capitalized mineral property costs if no active exploration has been conducted on the property for a period of three or more years.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

d) Share Capital

- i) The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.
- ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

BCGold Corp.
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Notes to the Financial Statements

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

3. Significant Accounting Policies – Continued

e) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

f) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

During the period, the Company did not grant options to its directors, officers or employees.

g) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

h) Flow-Through Shares

The Company follows the recommendations of the Emerging Issues Committee relating to flow-through shares effective for all flow-through agreements dated after March 19, 2004. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

If a company has sufficient unused tax losses and deductions ("losses") to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

BCGold Corp.
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Notes to the Financial Statements

August 31, 2006

Canadian Funds

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4. Fair Value of Financial Instruments

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

5. Short-term Investments

Details are as follows:

	August 31, 2006	Feb.28, 2006
Guaranteed Investment Certificate #1	\$ 100,000	\$ -
Maturity date	May 2, 2007	-
Interest rate per annum	3.85%	-
Guaranteed Investment Certificate #2	\$ 246,796	\$ -
Maturity date	June 6, 2007	-
Interest rate per annum	4.00%	-

6. Equipment

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value August 31, 2006	Net Book Value Feb.28, 2006
Computer equipment	\$ 506	\$ 19	\$ 487	\$
Computer software	203	25	178	
	\$ 709	\$ 44	\$ 665	\$

BCGold Corp.
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Notes to the Financial Statements

August 31, 2006

Canadian Funds

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7. Resource Property Costs

On July 10, 2006, the Company had signed a Letter of Intent with Kaminak Gold Corp. (“Kaminak”) to earn an interest in Kaminak’s Voigtberg Property located in the Iskut River area, Liard Mining Division, British Columbia.

The Company may exercise its right to earn up to a 60% interest in the Voigtberg Property by:

1. Issuing:

- i) 100,000 units to Kaminak as of the date of closing of the Qualifying Transaction (Issued – September 15, 2006). Each unit to consist of one common share of the Company and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one common share at \$0.40 per share for one year following the closing date; and
- ii) An additional 100,000 units to Kaminak on each of the first, second and third anniversaries of the closing date for a total of 300,000 additional units. Each additional unit to consist of one common share of the Company and one-half of one common share purchase warrant, each whole warrant being exercisable for one year following the date of issuance to purchase one common share at an exercise price determined by taking the weighted average closing price of the common shares of the Company for the 20 consecutive trading days immediately prior to the date of issuance plus 25%.

2. Incurring minimum exploration expenditures over a four-year period as follows:

i)	\$	350,000	in the first year;
ii)	\$	350,000	in the second year;
iii)	\$	650,000	in the third year; and
iv)	\$	650,000	in the fourth year.
	\$	<u>2,000,000</u>	

3. Operating the exploration program for the second through fourth years.

Upon incurring \$1 million in exploration expenditures, the Company will have earned a 50% interest in the Voigtberg property and, upon the issuance of all of the initial and additional units, incurring all of the expenditures and operating the exploration program as set out above, the Company will have earned a 60% interest in the Voigtberg property. The Company may earn an additional 10% interest in the property by completing a bankable feasibility study, for a total 70% interest in the property.

The Filing Statement relating to the Qualifying Transaction of the Company was reviewed and accepted by the regulatory authorities on September 15, 2006.

BCGold Corp.
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Notes to the Financial Statements

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

8 Share Capital

a) **Details of share capital are as follows:**

Authorized:

Unlimited common shares without par value

	Shares		Amount
Issued and fully paid:			
Shares issued to officers and directors	3,000,000	\$	150,000
Balance – Feb.28, 2006	3,000,000		150,000
Shares issued by private placement – June 2006	2,800,000		280,000
Shares issued from agent warrant exercise	100,000		10,000
Share issuance costs	-		(33,204)
Balance – August 31, 2006	5,900,000	\$	406,796

b) **Private Placements**

2007

On June 5, 2006, the Company closed a private placement of 2,800,000 shares at a price of \$0.10 per share for gross proceeds of \$280,000. The agent received 280,000 non-transferable compensation warrants exercisable to acquire 280,000 shares for a period of 24 months from the date of issuance at a price of \$0.10 per unit. The shares of the Company had not yet begun to trade on the date the deal was finalized, therefore no value has been assigned to the warrants.

2006

During the period ended February 28, 2006, the Company issued 3,000,000 common shares at a price of \$0.05 per common share for total proceeds of \$150,000 to directors and officers of the Company. These common shares will be held in escrow.

c) **Escrow Restrictions**

All of the 3,000,000 shares issued during the period ended February 28, 2006 were held in escrow to be released in stages, with 10% to be released upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V (released Sept.15, 2006), and as to the remainder in six equal tranches of 15% every six months thereafter, for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. At August 31, 2006 100% of shares were held by officers and directors of the Company.

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

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

8 Share Capital - Continued

d) Share Purchase and Agents Warrants

At August 31, 2006, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants
April 11, 2007 – Agents compensation warrants	\$0.10	180,000
Weighted Average	\$0.10	180,000

e) Stock Options

On March 21, 2006, the Company established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option shall not be less than the discounted market price on the grant date. During the period ended August 31, 2006, the Company granted the following share purchase options to directors, officers and consultants:

Grant Date	Number of Options	Exercise Price per share	Expiry Date
June 5, 2006	520,000	\$0.10	June 5, 2011
Total /Weighted Average	520,000	\$0.10	

On June 5, 2006 the Company granted 520,000 incentive stock options to directors and officers. The options are exercisable at \$0.10 per share and expire on June 5, 2011. The corresponding stock based compensation amounts to \$39,675. Calculated using the fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted June 5, 2006:

Average risk-free interest rate	4.19%
Expected dividend yield	0%
Expected stock price volatility	100.00%
Average expected option life in years	5 years

f) Contributed Surplus is as follows:

Balance – May 31, 2006	\$ -
Fair value of stock-based compensation (Note 8e)	39,675
Balance – August 31, 2006	\$ 39,675

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

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

9. Income Taxes (rounded to the nearest \$,000)

- a) Reconciliation of accounting and taxable income (rounded to the nearest ,000)

	For the Six Months Ended August 31, 2006	For the Period Ended Feb. 28, 2006
Net Loss for the period	\$ (100,000)	\$ (56,000)
Add:		
Stock- based compensation	40,000	-
Net Loss for tax purposes	\$ (60,000)	\$ (56,000)

- b) To August 31, 2006, the Company has incurred non-capital loss for tax purposes of approximately \$116,000, which may be carried forward to reduce future taxable income. These losses expire as follows: in the year 2016 - \$56,000; 2017 - \$60,000.
- c) The components of the future income tax asset (liability) balances are as follows: (rounded to the nearest ,000)

	August 31, 2006	Feb. 28, 2006
Future income tax asset (liability)		
Non-capital loss carry-forwards	\$ 56,000	\$ -
Non-capital loss for the period	60,000	56,000
Share issue costs	33,000	-
	149,000	56,000
Effective income tax rate	34.12%	34.12%
Future income tax asset (liability)	51,000	19,000
Allowance for future income tax	(51,000)	(19,000)
Future income tax asset	\$ -	\$ -

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse.

The potential future tax benefits of the tax losses and resource expenditures have not been reflected in the accounts of the Company, nor have the resource expenditures been subject to a CRA audit.

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

August 31, 2006

Canadian Funds

Unaudited – Prepared by Management

10. Subsequent Events

- a. The Company completed its qualifying transaction with the exchange's acceptance of the Voightberg Property deal and began trading on the TSX Venture Exchange under the symbol BCG.

- b. The Company entered into an option agreement with Stealth Minerals Limited to acquire up to 75% of three properties from Stealth's Toodoggone property portfolio. The Company can earn a 51% interest in each of the three selected 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. In addition, The Company is required to issue 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 BCGold ending on the trading day prior to the date of issuance) to Stealth for each property within 10 business days of the date of selection of the three properties.

The Company's interest in any of the three properties can be increased to 75% by producing a bankable feasibility study. The Company will be the operator of the selected properties. As part of the payment made by Stealth to re-acquire its 100% interest in the Toodoggone portfolio (refer to Stealth's press release dated September 18, 2006), and in order to acquire the right to select the three properties, The Company is making cash payments 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.