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Interim Consolidated Financial Statements

For the Six Months Ended January 31, 2010

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Notice of No Auditor Review of Interim Statements

These interim consolidated financial statements of the Company for the six months ended January 31, 2010, and comparatives for the six months ended January 31, 2009 were prepared by management and have not been reviewed or audited by the Company's auditors.

Bravo Venture Group Inc. (An Exploration Stage Company)
Consolidated Balance Sheets as at

			January 31, 2010 Unaudited		July 31, 2009 Audited
Assets					
Current					
Cash and cash equivalents	Note 12	$	9,435,690	$	5,024,889
Receivables	Note 6		116,958		446,337
Prepaid and deposits			34,614		72,105
			9,587,262		**5,543,331**
Commercial notes	Note 4		636,539		616,927
Investment and loan	Note 5		1		1
Mineral properties	Note 8		23,613,849		18,098,869
Reclamation bonds			71,593		51,963
		$	**33,909,244**	**$**	**24,311,091**
Liabilities					
Current					
Accounts payable and accrued liabilities		$	468,242	$	628,316
Due to related parties	Note 9		11,004		4,716
			479,246		**633,032**
Shareholders' Equity					
Share capital	Note 10		49,422,376		38,962,329
Contributed surplus	Note 10		8,461,984		7,336,640
Deficit			(24,454,362)		(22,620,910)
			33,429,998		**23,678,059**
		$	**33,909,244**	**$**	**24,311,091**

Nature of operations (Note 1)
Subsequent events (Note 13)
Commitments (Note 14)

Approved on behalf of the Board

"Joseph A Kizis"	*"Terry E Eyton"*
Joseph A Kizis	Terry E Eyton

Bravo Venture Group Inc. (An Exploration Stage Company)
Consolidated Statement of Operations and Deficit
For the Six Months Ended January 31,

		Three months ended January 31,		Six months ended January 31,	
		2010	**2009**	**2010**	**2009**
Expenses					
Administration		$ **29,625**	$ 25,125	$ **59,250**	$ 50,250
Amortization		**-**	1,164	**-**	1,455
Consulting					
Services		**97,862**	87,008	**182,104**	166,615
Stock-based compensation	Note 10 (e)	**623,094**	104,014	**631,638**	331,387
Independent directors' fees					
Services		**14,187**	8,930	**28,148**	19,055
Stock-based compensation	Note 10 (e)	**117,669**	6,173	**117,669**	63,334
Investor relations		**71,466**	107,307	**163,078**	173,655
Office and general		**69,279**	61,063	**133,041**	102,976
Professional fees		**80,800**	72,029	**137,806**	107,743
Regulatory fees and taxes		**5,704**	6,918	**7,578**	11,341
Shareholders' communications		**43,516**	32,660	**60,030**	47,857
Transfer agent		**5,068**	8,716	**9,791**	11,092
Travel and promotion		**29,134**	50,945	**74,360**	122,774
Wages and benefits					
Services		**3,516**	4,234	**6,806**	7,251
Stock-based compensation	Note 10 (e)	**220,707**	23,149	**220,707**	134,930
		1,411,627	599,435	**1,832,006**	1,351,715
Other Items					
Interest income		**(21,807)**	(2,789)	**(24,148)**	(5,314)
Foreign exchange loss/(gain)		**2,047**	(45,302)	**6,786**	(137,295)
General exploration		**17,543**	10,190	**38,420**	19,244
Write-(up)/down of commercial notes	Note 4	**32,240**	-	**(19,612)**	-
		30,023	(37,901)	**1,446**	(123,365)
Net loss for period		**1,441,650**	561,534	**1,833,452**	1,228,350
Deficit, beginning of period		**23,012,712**	15,865,176	**22,620,910**	15,198,360
Deficit, end of period		$ **24,454,362**	$ 16,426,710	$ **24,454,362**	$ 16,426,710
Loss per share - basic and diluted		$ **0.01**	$ 0.01	$ **0.01**	$ 0.01
Weighted average number of common shares outstanding		**136,573,277**	93,278,152	**126,532,406**	91,993,352

Bravo Venture Group Inc. (An Exploration Stage Company)
Consolidated Statement of Cash Flows
For the Six Months Ended January 31,

	Three months ended January 31,		Six months ended January 31,	
	2010	2009	2010	2009
	$	$	$	$
Operating Activities				
Net profit (loss) for the period	**(1,441,650)**	(561,534)	**(1,833,452)**	(1,228,350)
Items Not Involving Cash:				
Amortization	**-**	1,164	**-**	1,455
Unrealized foreign exchange (loss) gain	**2,829**		**2,427**	
Stock-based compensation	**961,470**	133,336	**970,014**	529,651
Write (up)/down of asset backed commercial paper	**32,240**	-	**(19,612)**	-
	(445,111)	(427,034)	**(880,623)**	(697,244)
Changes in Non-Cash Working Capital				
Receivables	**116,663**	66,898	**329,379**	(6,127)
Prepaids and deposits	**22,411**	17,306	**37,491**	16,741
Accounts payable and accrued liabilities	**(4,847)**	(23,006)	**(25,126)**	(9,113)
Due to related parties	**(281)**	(4,418.00)	**6,288**	22,598
	133,946	56,780	**348,032**	24,099
Cash Provided By (Used) In Operating Activities	**(311,165)**	(370,254)	**(532,591)**	(673,145)
Investing Activities				
Advances to related parties	**-**	9,937.00	**-**	657
Expenditures on mineral properties	**(2,350,509)**	(1,394,357)	**(5,519,262)**	(4,342,539)
Short-term investment				
Reclamation bonds	**-**	(1,313.00)	**(20,683)**	(5,920)
Cash Used In Investing Activities	**(2,350,509)**	(1,385,733)	**(5,539,945)**	(4,347,802)
Financing Activity				
Proceeds from issuance of shares	**3,067,636**	1,692,500.00	**8,407,500**	4,562,500
Proceeds from exercise of options	**33,150**	69,500.00	**67,500**	69,625.00
Proceeds from exercise of warrants	**1,864,256**	104,711.00	**2,814,902**	104,711.00
Proceeds from exercise of agent warrants	**75,375**	-	**88,313**	-
Shares issue cost	**(248,343)**	(177,645.00)	**(893,504)**	(530,265.00)
Cash Provided By Financing Activities	**4,792,074**	1,689,066	**10,484,711**	4,206,571
Foreign Exchange Effect on Cash	**(1,775)**		**(1,374)**	
Increase/(Decrease) in Cash During the Period	**2,128,625**	(66,921)	**4,410,801**	(814,376)
Cash and Cash Equivalents, Beginning of the Period	**7,307,065**	1,591,416	**5,024,889**	2,338,871
Cash and Cash Equivalents, End of the Period	**9,435,690**	1,524,495	**9,435,690**	1,524,495

Supplemental cash flow information (Note 12)

1. Nature of Operations

Bravo Venture Group Inc. (the "Company") is an exploration stage company incorporated under the laws of British Columbia. The Company and its subsidiaries are engaged in the acquisition and exploration of mineral properties and do not have any mineral properties in production.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from the sale of the mineral properties. The carrying value of the Company's mineral properties does not reflect current or future values.

These consolidated financial statements were prepared on a "going concern" basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2010, the Company had working capital of $9,108,016 (July 31, 2009 - $4,910,299).

The Company does not hold any revenue generating properties and thereby continues to incur losses. The Company has an accumulated deficit of $24,454,362 as at January 31, 2010 (July 31, 2009 - $22,620,910).

2. Summary of Significant accounting policies and accounting changes

The unaudited consolidated interim financial statements were prepared in accordance with Canadian generally accepted accounting principles. As a result, these unaudited consolidated interim financial statements do not contain all of the information required for annual financial statements and they should be read in conjunction with the Company's annual audited consolidated financial statements for the fiscal year ended July 31, 2009. All material adjustments, which, in the opinion of management, are necessary for a fair presentation of the results of the interim periods, have been reflected. The results for the six months ended January 31, 2010 are stated utilizing the same accounting policies and methods of application as the most recent annual audited financial statements, but are not necessarily indicative of the results to be expected for the full year.

A summary of significant accounting policies is disclosed in Note 2 to the audited consolidated financial statements of the Company dated July 31, 2009.

2. Summary of Significant accounting policies and accounting changes, continued

The Company's reporting currency is the Canadian dollar and all dollar amounts in these statements are in Canadian dollars, unless otherwise indicated. Certain of the prior periods' comparative figures have been reclassified to conform to the presentation adopted in the current period.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Bravo Alaska, Inc. and Bravada Gold Corporation. All intercompany accounts and transactions were eliminated upon consolidation.

Current Accounting Changes

Goodwill

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. Adoption of the new Section did impact on the Company's consolidated financial statements since the Company does not have any goodwill or intangible assets that are accounted for in accordance with this section.

Future Accounting Changes

(i)Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners.

2. Summary of Significant accounting policies and accounting changes, continued

Future Accounting Changes, continued

(i)Business Combinations, continued

Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements. These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company will evaluate the impact of the adoption of these sections on its consolidated financial statements when applicable.

(ii)International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim consolidated financial statements for the three months ended October 31, 2011, which must include restated interim results for the prior period ended October 31, 2010 prepared on the same basis. The conversion to IFRS will impact the Company's accounting policies, information technology and data system, internal control over financial reporting, and disclosure controls and procedures. The Company is currently evaluating the future impact of IFRS on its consolidated financial statements.

3. Financial Instruments

The carrying value of financial assets by category at January 31, 2010 and July 31, 2009 are as follows:

	January 31, 2010		July 31, 2009	
Financial Assets	**Held-for-trading**	**Loans and Receivables**	**Held-for-trading**	**Loans and Receivables**
Cash and cash equivalents	$ 9,435,690	$ -	$ 5,024,889	$ -
Receivables	-	-	-	8,430
Asset-backed commercial paper	636,539	-	616,927	-
Reclamation bonds	-	71,593	-	51,963
	$ 10,072,229	$ 71,593	$ 5,641,816	$ 60,393

3. Financial Instruments, continued

The carrying value of financial liabilities by category at January 31, 2010 and July 31, 2009 are as follows:

		January 31, 2010		July 31, 2009
Financial Liabilities		**Other financial Liabilities**		**Other financial Liabilities**
Accounts payable and accrued liabilities	$	1,357,780	$	628,316
Due to related parties		20,642		4,716
	$	1,378,422	$	633,032

Fair Value

The carrying values of cash and cash equivalents, interest receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity. The fair value of the Company's commercial notes is $636,539 as at January 31, 2010 (July 31, 2009 - $616,927) (Note 4). The carrying value of reclamation bonds approximates their fair value since amounts held earn interest at market rates.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit Risk

The Company is exposed to credit risk with respect to managing its cash position. This risk is mitigated by risk management policies that require deposits or short-term investments to be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations and anticipated investing and financing activities. The Company normally maintains sufficient cash and cash equivalents to meet the Company's business requirements.

The cash balance of $9,435,690 as at January 31, 2010 and proceeds from warrant exercise subsequent thereto (Note 13) should be sufficient to meet the cash requirements for the Company's administrative overhead, maintaining its mineral interests and continuing with its exploration program in the coming year. At January 31, 2010, the Company had accounts payable and accrued liabilities of $468,242 and amounts due to related parties of $11,004 due within 30 days.

3. Financial Instruments, continued

(c) Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk. These are discussed further below:

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash and cash equivalents consist of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as of January 31, 2010.

(ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars). The Company does not manage currency risks through hedging or other currency management tools.

As at January 31, 2010, the Company has financial instruments denominated in foreign currencies and is exposed to currency risk as follows:

		US
Cash and cash equivalents	$	91,001
Reclamation bonds		54,022
Accounts payable and accrued liabilities		(15,454)
	$	129,569

Based on the above, assuming all other variables remain constant, a 10% weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of $13,765 in the Company's deficit.

(iii) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign exchange risk. The Company is not exposed to any other price risks.

4. Commercial Notes

The Company owns asset-backed notes ("AB Notes") with a face value of $1,199,480. The current Notes were issued in replacement of third party asset-backed commercial paper ("ABCP") formerly held by the Company. When the original ABCP matured but was not redeemed in 2007 it became the subject of a restructuring process overseen by the Pan Canadian Investor Committee. The restructuring was concluded on January 21, 2009 when the ABCP was replaced with long-term asset-backed securities - the AB Notes.

Using publicly available information received from the Pan Canadian Investor Committee as well as Ernst & Young, the court appointed monitor of the restructuring, and Blackrock, the asset administrator, the Company has been able to determine the key characteristics of each class of AB Notes it received: par value; credit rating; interest rate and projected interest payments; and maturity date. The Company then engaged an ABCP expert to help it estimate the return that a prospective investor would require for each class of AB Notes ("Required Yield"). The Company calculated the net present value of the cash flows for each class of AB Notes using the Required Yield as the discount factor. As a result of this analysis, the Company has estimated the fair market value of its AB Notes investment to be $636,539 as at January 31, 2010 (October 31, 2009 -$ 668,779 and July 31, 2009 - $616,927). Accordingly, the Company has recorded a write-down of $32,240 for the quarter ended January 31, 2010.

While the Company believes it has utilized an appropriate methodology to estimate fair value, given the current state and ongoing volatility of global credit markets, there can be no assurance that management's estimate of potential recovery as at January 31, 2010 is accurate. Subsequent adjustments, either materially higher or lower, may be required in future reporting periods. Management is continuing to seek all avenues to recover the maximum value from the original investments and interest due.

The secondary market for the AB Notes are very illiquid with only a very small number of trades reported that took place at very distressed sales prices. There is little bidding activity and it is difficult to ascertain what potential volume could be transacted at those bids. Investors wishing to sell their AB Notes would have to realize a significant liquidity discount below the intrinsic value of the Notes. It is uncertain if or when a more liquid secondary market for the AB Notes will develop.

The Company has classified the New Notes as held for trading.

5. Investment and Loan

In 2002, the Company considered a change of business to the wine and hospitality industry, and loaned and invested in production and marketing of wine. The Company loaned $200,000 to Saturna Beach Estates Limited ("SBEL"). A director of the Company is the president of SBEL and remains a guarantor of the $200,000 loan. Subsequently, the Company wrote down the investment and loan to $1.

6. Receivables

As at January 31, 2010, the receivables balance consists of commodity tax refunds receivable of $101,359 and accrued interest of $15,599.

7. Management of Capital

The Company's objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its stakeholders.

The Company's capital includes components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been funded substantially by the issuance of common shares. The Company will continue this financing method in the future depending upon market and economic conditions at the time (Note 3(b)).

8. Mineral Properties

The Company has interests in mineral properties in British Columbia (Homestake Ridge and Fossie projects) and Nevada (Battle Mountain project).

The Company capitalizes all acquisition, exploration and development costs relating to the mineral properties. The amounts shown for mineral properties represent costs incurred to date, net of any recoveries, and do not necessarily reflect present or future values. These costs will be amortized against revenue from future production or written off if the property is abandoned or sold.

8. Mineral Properties, continued

A summary of capitalized acquisition and exploration expenditures on the Company's mineral properties for the three months ended January 31, 2010 follows:

Mineral Properties	**Homestake Ridge $**	**Battle Mountain $**	**Fossie Claims $**	**Total $**
Acquisition costs:				
Balance as at July 31, 2009	527,992	1,430,144	32,738	1,990,874
Additions during the period	132,826	195,776	27,365	355,967
Acquisition Balance as at January 31, 2010	**660,818**	**1,625,920**	**60,103**	**2,346,841**
Exploration costs:				
Balance as at July 31, 2009	13,664,540	2,277,103	166,352	16,107,995
Additions/(deductions) during the period:				
Advances	(120,000)	-	-	(120,000)
Air support	778,632	-	-	778,632
Assays & geochemistry	334,337	3,064	-	337,401
Camp, Utilities and Supplies	459,491	476	-	459,967
Drilling services	1,796,602	-	-	1,796,602
Equipment/rentals/Supplies	293,552	1,282	89	294,923
Geological & Geophysics	1,127,821	43,539	11,118	1,182,478
General exploration	155,865	6	13	155,884
Project supervision	236,235	5,380	2,053	243,668
Travel	29,231	227	-	29,458
Total additions during the period	5,091,766	53,974	13,273	5,159,013
Exploration Balance as at January 31, 2010	**18,756,306**	**2,331,077**	**179,625**	**21,267,008**
Total Mineral Property expenditures				
As at January 31, 2010	**19,417,124**	**3,956,997**	**239,728**	**23,613,849**

8. Mineral Properties, continued

Homestake Ridge – British Columbia

On December 22, 2009 the Company entered in to an agreement to purchase nine mineral claims situated on Homestake Ridge for a consideration of $ 50,000 (paid) and 100,000 (issued) common shares of the Company. The agreement is subject to a 2% NSR ("Net Smelter Returns Royalty").

Effective November 3, 2009 the Company entered in to an agreement to purchase the Millsite claim which is a crown grant mineral claim located at the south border of the Company's property. Consideration payable for the purchase of the Millsite claim is $20,000 (paid) and 100,000 (not issued) common shares of the Company. The agreement is subject to a 2% NSR.

Fossie Claims – British Columbia

Pursuant to an agreement dated June 5, 2007, the Company acquired the right to earn a 100% interest in the Fossie claim located in the Skeena Mining Division, British Columbia, Canada.

To exercise the option, the Company was required to make staged payments totaling $200,000 and incur exploration expenditures of $500,000:

On November 4, 2009 parties to the option agreement amended the agreement as follows

(i) Pay an initial payment of $10,000 (paid).
(ii) Pay $15,000 (paid) and incur in the aggregate a minimum of $25,000 (incurred) in exploration expenditures on or before June 5, 2008.
(iii) Pay $25,000 (paid) and incur in the aggregate a minimum of $125,000 (incurred) in exploration expenditures on or before November 30, 2009 and June 5, 2009 respectively.
(iv) Pay $150,000 and incur in the aggregate a minimum of $750,000 in exploration expenditures on or before June 5, 2012.

The agreement is subject to 1.5% NSR with a 1% buy back option for $1,000,000.

Battle Mountain/Eureka Trend

On February 9, 2010 the Company's shareholders approved the Plan of Arrangement pursuant to which the Battle Mountain / Eureka Trend properties will be spun-off to Bravada Gold Corporation (Note 13(a)).

9. Related Party Balances and Transactions

The Company entered into the following related party transactions during the period ended January 31, 2010.

(a) Under service agreement, as amended, between the Company and a company privately held by a director and an officer of the Company, the Company was charged as follows:

- $59,250 in respect of the office accommodation and management services;
- $55,874 in respect of professional services;
- $64,725 in respect of consulting services;
- $34,822 in respect of investor relations services;
- $40,230 in respect of office administration services;
- $6,810 in respect of computer and systems support services;
- $138,375 in respect of geological consulting services in relation to mineral properties; and
- $3,206 in respect of the mark-up on out-of-pocket expenses.

(b) Fees in the amount of $44,052 were charged by a law firm controlled by a director and an officer of the Company and included in investor relations, professional fees and mineral property expenditures. Amounts payable as at January 31, 2010 were $11,004.

(c) Fees in the amount of $39,919 were charged by a director and an officer of the Company for geological consulting services.

(d) Consulting fees relating to corporate development and share issue cost of $411,000 were charged by a private company controlled by a director and an officer of the Company.

(e) Consulting fees relating to office administration of $12,000 were charged by a private company controlled by an officer of the Company.

(f) Pursuant to a consulting agreement, between the Company and a director and an officer of the Company, the Company was charged $36,000 for consulting services.

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.

10. Share Capital

(a) Issued and Outstanding

The authorized share capital of the Company is unlimited and without par value. The issued share capital as at January 31, 2010 is as follows:

	No. of Shares		Cost		Contributed Surplus
Balance as at July 31, 2008	**81,433,151**		**30,128,706**		**5,175,073**
Issued					
Private Placement	8,426,667		2,700,500		
Private Placement - Flow-Through	29,205,167		8,696,550		-
Exercised Share Purchase Warrants	986,084		337,629		-
Exercised Options	380,417		94,375		-
Issued to Acquire Mineral Properties	200,000		92,000		-
Fair Value of Stock Options Exercised	-		14,000		(14,000)
Fair Value of Agent Warrants Exercised	-		78,015		(78,015)
Stock Based Compensation	-		-		1,655,618
Subtotal before Share Issue Costs	39,198,335		12,013,069		1,563,603
Share Issue Costs	-		(1,944,096)		558,864
Share Purchase Warrants Modified	-		-		39,100
Tax Benefits Renouced to Flow-Through Share Subscribers			(1,235,350)		-
Balance as at July 31, 2009	**120,631,486**	**$**	**38,962,329**	**$**	**7,336,640**
Issued					
Private Placement	6,350,000		2,857,500		-
Private Placement - Flow-Through	11,100,000		5,550,000		-
Exercised Share Purchase Warrants	6,316,969		2,814,902		-
Exercised Options	215,000		67,500		-
Exercised Agent Options	294,375		88,313		-
Issued to acquire mineral Properties	100,000		41,500		-
Fair Value of Stock Options Exercised	-		45,400		(45,400)
Fair Value of Agent Warrants Exercised	-		46,327		(46,327)
Fair Value of Agent Option Exercised	-		56,369		(56,369)
Stock Based Compensation	-		-		1,059,180
Subtotal before Share Issue Costs	145,007,830		50,530,140		8,247,724
Share Issue Costs			(1,107,764)		214,260
Balance as at January 31, 2010	**145,007,830**	**$**	**49,422,376**	**$**	**8,461,984**

10. Share Capital, continued

(a) Issued and Outstanding, continued

On October 6, 2009 the Company reported that it proposed two private placements to raise $ 7,700,000. The placements were over subscribed and on October 14, 2009 the Company amended the private placements to issue a total of 17,450,000 common shares in two non-brokered private placements for total gross proceed of $8,407,500.

(1) Issue 6,350,000 units at a price of $0.45 per unit to raise $2,857,500. Each unit will consist of one common share and one-half share purchase warrant, each whole warrant exercisable to purchase one additional common share at an exercise price of $0.50 per share for a period of two years from the closing date. Net proceeds will be for general working capital and to finance the Company's "Plan of Arrangement" with Bravada Gold Corporation.

(2) Issue 11,100,000 units at a price of $0.50 per unit to raise $5,550,000. Each unit will consist of one common flow through share and one-half non flow-through share purchase warrant, each whole warrant exercisable to purchase one additional common share at an exercise price of $0.60 per share for a period of two years from the closing date.

The first tranche was closed on October 28, 2009 for gross proceeds of $5,320,814 of which $2,592,500 was flow- through dollars (5,185,000 flow-through shares at unit price of $0.50) and balance $2,728,314 was hard dollars (6,062,921 non-flow-through shares at unit price of $0.45).

The Company incurred total share issuance cost of $783,331, comprised of $285,634 finder's fees, $359,527 due diligence and other general share issue cost and $138,170 representing the cost of agent's warrants issued (600,742 exercisable at $0.45) and calculated using Black-Scholes option pricing model.

The second and final tranche of the October 6, 2009 announced private placement was closed on November 4, 2009 for gross proceeds of $3,086,686 of which $2,957,500 was flow- through dollars (5,915,000 flow-through shares at unit price of $0.50) and the balance of $129,186 was hard dollars (287,079 non-flow-through shares at unit price of $0.45).

The Company incurred total share issuance cost of $324,433, comprised of $179,621 finder's fees, $68,722 due diligence and other general cash issue cost and $76,090 representing the cost of agent's warrants issued (359,825 exercisable at $0.45) and calculated using Black-Scholes option pricing model.

10. Share Capital, continued

(b) Share Purchase Warrants

The Company's share purchase warrants as at January 31, 2010 are summarized as follows:

Exercise Price	Expiry Date	Balance July 31, 2009	Warrants Granted	Cancelled or Expired	Warrants Exercised	Balance January 31, 2010
$1.50	January 5, 2010	1,000,000	-	1,000,000	-	-
$0.35	February 22, 2010	3,821,565	-	-	1,418,776	2,402,789
$0.35	March 1, 2010	728,185	-	-	688,479	39,706
$0.35	March 5, 2010	459,620	-	-	-	459,620
$0.30	March 12, 2010	700,000	-	-	100,000	600,000
$0.35	March 12, 2010	40,000	-	-	-	40,000
$0.50	June 5, 2010	360,000	-	-	181,338	178,662
$0.40	December 12, 2010	3,600,000	-	-	173,572	3,426,428
$0.40	June 12, 2010	209,000	-	-	19,599	189,401
$0.48	December 12, 2010	550,000	-	-	-	550,000
$0.48	June 12, 2010	40,000	-	-	-	40,000
$0.60	February 19, 2011	300,000	-	-	-	300,000
$0.50	February 19, 2011	52,000	-	-	25,000	27,000
$0.35	May 26, 2011	1,000,000	-	-	50,000	950,000
$0.40	May 27, 2011	7,896,416	-	-	1,367,080	6,529,336
$0.35	May 27, 2011	1,835,000	-	-	-	1,835,000
$0.40	June 1, 2011	1,206,166	-	-	-	1,206,166
$0.35	June 1, 2011	741,667	-	-	-	741,667
$0.35	May 27, 2011	-	384,375	-	293,125	91,250
$0.60	October 28, 2011	-	3,031,459	-	-	3,031,459
$0.50	October 28, 2011	-	2,592,500	-	-	2,592,500
$0.45	October 28, 2011	-	600,742	-	-	600,742
$0.60	November 4, 2011	-	2,957,500	-	2,000,000	957,500
$0.50	November 4, 2011	-	143,540	-	-	143,540
$0.45	November 4, 2011	-	359,825	-	-	359,825
		24,539,619	**10,069,941**	**1,000,000**	**6,316,969**	**27,292,591**
Weighted average exercise price		$0.43	$0.55	$1.50	$0.44	$0.43

During the period ended January 31, 2010, 6,316,969 warrants were exercised for total proceeds of $2,814,902. Subsequent to the quarter 2,401,054 warrants were exercised for total proceeds of $830,369.

10. Share Capital, continued

(c) Agent Options

The Company granted following agent options during the year ended July 31, 2009 as part of compensation arrangement for the agents of a non-brokered private placement.

Exercise Price	Expiry Date	Balance July 31, 2009	Agent Option Exercised	Balance January 31, 2010
$0.30	May 26, 2010	35,000	1,250	33,750
$0.30	May 27, 2010	1,709,500	293,125	1,416,375
$0.30	June 1, 2010	315,400	-	315,400
		2,059,900	**294,375**	**1,765,525**
Weighted average exercise price		$0.30	$0.30	$0.30

During the period 294,375 Agent options were exercised for total proceeds of $88,313. Subsequent to the quarter 210,000 agent options were exercised for total proceeds of $63,000.

(d) Stock Options

The Company has a rolling stock-based compensation plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant, less any permitted discount. On an annual basis, the Plan requires approval by the Company's shareholders and submission for regulatory review and acceptance.

10. Share Capital, continued

(d) Stock Options

A summary of the Company's stock options as at January 31, 2010 is as follows:

Exercise Price	Expiry Date	Balance July 31, 2009	Options Granted	Cancelled or Expired	Options Exercised	Balance Jan. 31, 2010
$0.420	March 4, 2010	140,000	-	15,000	-	125,000
$0.390	July 29, 2010	150,000	-	-	-	150,000
$0.430	October 13, 2010	843,333	-	75,000	-	768,333
$0.465	November 4, 2010	100,000	-	25,000	-	75,000
$0.990	March 27, 2011	125,000	-	-	-	125,000
$0.600	June 1, 2011	865,000	-	50,000	-	815,000
$1.280	September 15, 2011	20,000	-	-	-	20,000
$1.200	December 6, 2011	970,000	-	65,000	-	905,000
$1.200	July 10, 2012	1,115,000	-	45,000	-	1,070,000
$1.200	October 5, 2012	10,000	-	-	-	10,000
$0.300	May 6, 2013	564,583	-	-	115,000	449,583
$0.330	October 8, 2013	1,610,000	-	25,000	100,000	1,485,000
$0.400	November 5, 2013	2,285,000	-	125,000	-	2,160,000
$0.520	January 9, 2011	100,000	-	-	-	100,000
$0.350	March 18, 2014	200,000	-	-	-	200,000
$0.415	May 29, 2014	2,400,000	-	100,000	-	2,300,000
$0.540	September 30, 2011	-	350,000	-	-	350,000
$0.450	December 17, 2014	-	550,000	-	-	550,000
$0.450	January 8, 2015	-	2,090,000	-	-	2,090,000
$0.450	January 18, 2015	-	595,000	-	-	595,000
		11,497,916	**3,585,000**	**525,000**	**215,000**	**14,342,916**
Weighted average exercise price		$0.56	$0.46	$0.59	$0.31	$0.54

Pursuant to an agreement dated September 15, 2009 the Company granted 350,000 options to First Canadian Capital Corp. at an exercise price of $0.54 for a period of two years affective September 31, 2009.The options are vested at 87,500 every three months from December 31, 2009.

On December 17, 2009, January 8, 2010 and January 18, 2010 the Company granted a total of 3,235,000 stock options to the directors, officers, consultants and management company employees.

During the period ended January 31, 2010 215,000 options were exercised for total proceeds of $67,500.

10. Share Capital, continued

e) Fair Value Determination

The weighted average fair value of the stock options granted during the current period was approximately $0.29 per option. The fair value of stock options granted was estimated using the Black-Scholes option pricing model, was calculated using the following weighted average assumptions:

	January 31,			
	2010		2009	
	Options	**Warants**	**Options**	**Warants**
Risk-free interest rate	2.67%	1.43%	2.79%	2.55%
Expected share price volatility	95.67%	94.83%	91.74%	75.08%
Expected option/warrant life in years	5	2	5	2
Expected dividend yield	0%	0%	0%	0%

The total stock-based compensation recognized during the period ended January 31, 2010 was $ 1,059,180 and included in the consolidated statement of operations as follows:

	January 31, 2010		January 31, 2009	
	Number of Options Granted	**Stock-based Compensation**	**Number of Options Granted**	**Stock-based Compensation**
Consulting	2,235,000	$ 631,638	2,680,000	$ 331387
Independent directors' fees	375,000	117,669	325,000	63,334
Wages and benefits	705,000	220,707	815,000	134,930
Geological services (Mineral properties)	270,000	89,166	260,000	40,089
Total	**3,585,000**	**$ 1,059,180**	**4,080,000**	**$ 569,740**

11. Segmented Information

The Company's non-current assets are distributed by geographic location as follows:

	January 31, 2010			
	Mineral Properties	**Reclamation Bond**	**Other**	**Total**
Canada	$ 19,656,852	$ 14,200	$ 636,540	$ 20,307,592
USA	3,956,997	57,393	-	4,014,390
	$ 23,613,849	$ 71,593	$ 636,540	$ 24,321,982

12. Supplemental Cash Flow Information

	Six months ended January 31, 2010		2009	
Cash Items				
Interest received	$	8,833	$	5,314
Interest receivable	$	15,315	$	-
Investing Activities				
Mineral property costs included in accounts payable	$	411,440	$	73,387
Mineral property costs included in related party accounts payable	$	-	$	24,300
Stock - based compensation included in mineral property cost	$	89,166	$	40,089
Shares issued for Mineral property acquisition cost	$	41,500	$	-
Financing Activities				
Fair value options exercised	$	45,400	$	59,265
Fair value agent warrants exercised	$	46,327	$	20,942
Fair value agent option exercised	$	56,369		
Warrants issued for agents	$	214,260	$	142,424
Income tax paid	$	-	$	-
Interest paid	$	-	$	-
Cash and cash equivalents consist of:				
Cash	$	2,841,263	$	61,789
Cash assign to Bravada Gold Corporation (Note 13 (a))	$	1,500,000	$	-
Cash available for flow through expenses	$	5,094,427	$	1,462,706
	$	9,435,690	$	1,524,495
Cash and cash equivalents held as follows:				
Cash held in chequing accounts	$	2,935,690	$	-
GIC's	$	6,500,000	$	-
	$	9,435,690	$	-

13. Subsequent Events

(a) Plan of Arrangement

On September 22, 2009, the Company announced that it has entered into a Plan of Arrangement ("Arrangement") where the Company will transfer its U.S. properties in the State of Nevada currently held by Bravo Alaska Inc. to Bravada Gold Corporation ("Bravada"), a wholly-owned subsidiary of the Company. Under the Arrangement:

(i) The authorized capital of the Company will be amended by redesignating the issued and outstanding Company common shares as Class B shares, to which will be attached a preferential right with respect to the payment of dividends; the authorized share structure of the Company will be amended by the creation of an unlimited number of Class A shares to which no preferential rights shall be attached;

13. Subsequent Events

(a) Plan of Arrangement, continued

(ii) The Company will transfer all the issued and outstanding shares of Bravo Alaska Inc. to Bravada and, in consideration, Bravada will issue the Company that number of Bravada common shares as is equal to 1/6th of the issued and outstanding shares of the Company (the "Transfer Consideration") on December 31, 2009 (the issued and outstanding shares of the Company on December 31, 2009 was 144,715,300); and

(iii) Each holder of an issued Class B share of BVG will exchange such share for one Class A Company share, and one Bravada common share (being a portion of the Transfer Consideration) for each 10 Class B shares of the Company held by such holder; the Class B shares will be cancelled and the authorized share capital of the Company will be further amended by redesignating the Class A shares as common shares.

(iv) BVG will also subscribe for 1,500,000 common shares of Bravada with gross proceeds of $1,500,000 to Bravada as part of the terms of the Arrangement.

On February 9, 2010, shareholders of the Company approved the Arrangement and the Bravo Alaska Inc. will become a wholly-owned subsidiary of Bravada.

(b) Mineral Property Acquisition

The Company entered into an option agreement with Agnico-Eagle (USA) Limited ("Agnico") to acquire a 100% interest in a property, located in the western portion of the Cortez Mining District in Nevada USA. The Company can earn a 100% interest by issuing 300,000 common shares (issued on February 8, 2009) upon signing and obtaining TSX Venture Exchange approval and incurring expenditures totaling US $2.0 million over a maximum of six years.

The agreement includes the immediate transfer of ownership of a logistical base in nearby Crescent Valley, which includes a workshop and a double-wide trailer for personnel.

Once the Company earns its 100% interest in the property, Agnico has 60 days to either accept a 2% NSR, of which 1% NSR can be purchased for US $1.0 million, or elect to earn back a 60% interest in the property by spending US $4.0 million over a four-year period, with minimum expenditures of US $1.0 million annually, and producing a quality feasibility document.

13. Subsequent Events, continued

(b) Mineral Property Acquisition, continued

Agnico can earn a further 10% interest for a total of 70% by loaning or arranging for financing the Company's share of capital required for the mine development and construction cost, at the Company's option.

(c) Company Name Change

On February 19, 2010 the Company changed its name from Bravo Venture Group Inc. to Bravo Gold Corp. and effective at market opening on February 22, 2010 on the TSX Venture Exchange, the Company's common shares began trading under the name Bravo Gold Corp.

(d) Flow through expenses renunciation

Subsequent to the period ended January 31, 2010, the Company renounced exploration expenditures of $11,282,245 from 29,905,167 flow-through common shares issued during fiscal year 2009 and recognized $2,820,561 of future income tax recovery and share issue costs.

14. Commitments

(a) Service Agreement

Under a service agreement, as amended, between the Company and a company privately held by a director and an officer of the Company, the Company is charged $8,000 monthly for office accommodation and administration services. The agreement may be cancelled at any time upon one year's notice and expires on June 30, 2012. The fee commitment for the next three years is as follows:

Year ending July 31,	2010	2011	2012
Commitment	$ 48,000	$ 96,000	$ 88,000

(b) Mineral Property - Fossie claims

Over the next two years, pursuant to the terms of its option agreement and amendments thereto, the Company has the following expenditure commitment to maintain the agreement in good standing and earn its interests on the property:

- $150,000 and incur in the aggregate a minimum of $750,000 in exploration expenditures on or before June 5, 2012.

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Formerly Bravo Venture Group Inc.

Management's Discussion and Analysis

In respect to the six months ended January 31, 2010

Dated: March 18, 2010.

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A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Bravo Gold Corp. (formerly Bravo Venture Group Inc.), (the "Company" or "BVG") compares results for the Six months ended January 31, 2010 to the same period in the previous year. These statements should be read in conjunction with the unaudited consolidated financial statements for the six months ended January 31, 2010 and the audited consolidated financial statements for the year ended July 31, 2009. All notes referenced herein may be found in the audited consolidated financial statements, which were prepared in accordance with the Canadian generally accepted accounting principles.

The Company's reporting currency is the Canadian dollar and all dollar amounts herein are in Canadian dollars, unless otherwise indicated. This MD&A, dated as at March 18, 2010, was prepared to conform with National Instrument 51-102 F1 and was approved by the Board of Directors prior to release.

The Company changed its legal name from Bravo Venture Group Inc. to Bravo Gold Corp. on February 19, 2010.

The Company is a reporting issuer in British Columbia and Alberta and its shares trade on the Tier 2 Board of the TSX Venture Exchange ("TSX.V") under the symbol BVG, and trade on the Frankfurt Stock Exchange under the symbol B6I.F.

Certain forward-looking statements are discussed in the MD&A with respect to the Company's activities and future financial results. These are subject to significant risks and uncertainties that may cause actual results or events to differ materially from projected results or events. Additional information relating to the Company, including detailed drill results previously disclosed in news releases, is available on SEDAR at www.sedar.com and at the company's website www.bravoventuregroup.com.

Plan of Arrangement

On September 22, 2009, BVG announced that it has entered into a Plan of Arrangement ("Arrangement") where BVG will transfer its U.S. properties in the State of Nevada currently held by the Bravo Alaska Inc. (fully owned subsidiary) to Bravada Gold Corporation ("Bravada"), a wholly-owned subsidiary of BVG. Under the Arrangement:

(i) The authorized capital of BVG will be amended by redesignating the issued and outstanding BVG common shares as Class B shares, to which will be attached a preferential right with respect to the payment of dividends; the authorized share structure of BVG will be amended by the creation of an unlimited number of Class A shares to which no preferential rights shall be attached;

A. Introduction, continued

Plan of Arrangement, continued

(ii) BVG will transfer all the issued and outstanding shares of the Company to Bravada and, in consideration, Bravada will issue to BVG that number of Bravada common shares as is equal to 1/6th of the issued and outstanding shares of BVG (the "Transfer Consideration") on December 31, 2009 (the issued and outstanding shares of BVG on December 31, 2009 was 144,715,300); and

(iii) Each holder of an issued Class B share of BVG will exchange such share for one Class A BVG share, and one Bravada common share (being a portion of the Transfer Consideration) for each 10 Class B shares of BVG held by such holder; the Class B shares will be cancelled and the authorized share capital of BVG will be further amended by redesignating the Class A shares as common shares.

BVG will receive 24,119,217 common shares from Bravada Gold Corporation as part of the Plan of Arrangement of which 14,471,530 (60%) common shares will be distributed to BVG shareholders on the effective date and the remaining 9,647,687 (40%) common shares will be held by BVG.

BVG also received 1,500,000 common shares for gross proceeds of $1,500,000 from Bravada Gold Corporation as part of the Arrangement. This initial funding will cover the Bravada Gold Corporation's exploration and administrative expenses for the ensuing year.

Share holders BVG approved the Plan of arrangement on February 9, 2010.

B. Qualified Person

Joseph A. Kizis, Jr., P. Geo., the President of the Company, is the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs for Battle Mountain properties. Mr. Kizis graduated from the University of Colorado (M.S. in geology) and Kent State University (B.S. in geology), and has 30 years of experience in minerals exploration both with major mining companies and junior explorers.

B. Qualified Person, continued

Robert W. J. Macdonald, P. Geo., is the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs for Woewodski, Homestake Ridge and Silver Basin properties. Mr. Macdonald graduated from Memorial University of Newfoundland (B.Sc.) and from the University of B.C (M.Sc.). His work has focused on the geology of vein and intrusive-related gold systems and massive sulfide deposits.

C. Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

	Canadian Dollars per US Dollar [1]		
	Quarter ended		**Year ended**
	January 31 2010	January 31 2009	July 31, 2009
Rate at end of period	1.0624	1.2265	1.0775
Average rate for period	1.0536	1.2267	1.1753
High for period	1.0819	1.2935	1.2991
Low for period	1.0234	1.1511	1.0271

Conversion Table [2]

Imperial		**Metric**	
1 Acre	=	0.404686	Hectares
1 Foot	=	0.304800	Meters
1 Mile	=	1.609344	Kilometres
1 Ton	=	0.907185	Tonnes
1 Ounce (troy)/ton	=	34.285700	Grams/Tonne

C. Exchange Information and Conversion Tables, continued

Precious metal units and conversion factors (2)

ppb	- Part per billion	1	ppb	=	0.0010	ppm	=	0.000030	oz/t
ppm	- Part per million	100	ppb	=	0.1000	ppm	=	0.002920	oz/t
oz	- Ounce (troy)	10,000	ppb	=	10.0000	ppm	=	0.291670	oz/t
oz/t	- Ounce per ton (avdp.)	1	ppm	=	1.0000	ug/g	=	1.000000	g/tonne
g	- Gram								
g/tonne	- gram per metric ton	1	oz/t	=	34.2857	ppm			
mg	- milligram	1	Carat	=	41.6660	mg/g			
kg	- kilogram	1	ton (avdp.)	=	907.1848	kg			
ug	- microgram	1	oz (troy)	=	31.1035	g			

(1) www.bankofcanada.ca
(2) Information from www.onlineconversion.com

D. Description of Business

The Company acquires and explores mineral properties in the North America. It is currently exploring for precious and base metals in British Columbia, Canada and in Nevada, USA..

E. Description of Mineral Properties

The Homestake Ridge and Silver Basin (Fossie claims) properties in the Skeena Mining Division, southeast of Stewart, B.C. are VMS/epithermal gold vein properties.

A summary of capitalized acquisition costs and exploration expenditures in the Company's properties are disclosed in Note 8 to the unaudited consolidated financial statements as at January 31, 2010 and details of option agreements by property are disclosed in Note 8 to the audited consolidated financial statements as at July 31, 2009.

i) Homestake Ridge

Homestake Ridge is gold, silver, and base metal project located in the Skeena Mining Division of northwestern British Columbia. It is hosted by an early to middle Jurassic sequence of volcanic tuffs and sediments, similar in setting to the Eskay Creek deposit located 115 kilometres north. The property has 32 unpatented mineral claims ("TCL claims" and "MTO claims") and seven patented Crown Granted claims ("Crown Grant claims") covering a total of 2,761 hectares. There are separate option agreements governing the Company's rights to the unpatented and patented claims.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Because the claims are contiguous, they are collectively referred to as the Homestake Ridge property.

The Homestake Ridge property lies within a metallogenic belt that hosts several gold-rich polymetallic mineral deposits. Previous exploration by major mining companies provided the Company with considerable mapping, sampling and trenching data that provided the foundation for its drilling programs.

<u>**TCL Unpatented Claims**</u>

- The Company and TCL entered into a property option agreement dated June 9, 2003, as amended February 28, 2005, August 23, 2005 and April 11, 2007, wherein the Company has earned a 100% interest in the Homestake Ridge unpatented claims optioned from TCL in June 2003.

- In December 2007 the Company, having fulfilled its earn-in requirements provided TCL with an Expenditure Notice. To purchase the TCL claims, the Company issued 200,000 common shares and 200,000 share purchase warrants and expended the required $5 million on exploration and development work on the claims.

- In April 2008, TCL declined to invoke the back-in right on the Homestake Property. Bravo accordingly retains a 100% interest in the Property subject to the royalties set out below.

There is a 2% NSR royalty in favour of Teck Cominco and on other portions of the located mineral claims there is a 2% NSR royalty in favour of the original Optionor. Bravo has the right to purchase 1% of the Teck Cominco royalty for $1 million and 1% of the original Optionor's royalty for $1 million.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Crown Grant Claims

Pursuant to a property option agreement dated August 11, 2003, the Company acquired the right to earn a 100% interest in six patented mineral claims and fractions, adjacent to the mineral claims governed by the terms of the TCL agreement, subject to a 2% NSR. The Crown Grant portion of the Homestake Ridge project has 92 hectares that are surrounded by TCL unpatented claims. As at January 30, 2008, the Company fulfilled all obligations to earn a 100% interest in the Crown Grant claims by paying $210,000 cash and issuing 400,000 common shares at a fair market value of $117,000 in satisfaction of the Crown Grant's agreement. The claims are subject to a 2% NSR and annual minimum royalty payments of $50,000 commencing on December 2010 together with the obligation to issue 200,000 shares of the Company upon commencement of commercial production from the claims (Note 8 (b) (ii) in the audited consolidated financial statements for the year ended July 31, 2009 "AFS").

Mill Site Crown Grant and MTO Mineral Claims

In December the Company announced two agreements with two separate arms-length private vendors to purchase additional mineral claims at Homestake Ridge.

The Millsite Claim is a Crown Grant mineral claim located at the southern border of the Company's property, which was obtained from the Provincial Government by the original holder of the Company's Crown Grant mineral claims to serve as a potential millsite. Purchase of the claim by the Company, together with the other claims described below, completes the Company's claim package and now includes a fee-simple site for potential milling operations.

Consideration payable for the purchase of the Millsite claim is $20,000 cash and 100,000 common shares of the company. In addition, the vendors will retain a 2% net smelter return royalty.

In addition, nine MTO mineral claims, located by private vendors, were acquired in a separate transaction. Three of these claims partially overlie the 18 ha area of the reverted Tip Top Crown grant and now bring all claims internal to the boundaries of the Homestake Ridge Project under the Company's ownership.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Mill Site Crown Grant and MTO Mineral Claims, continued

Consideration for the purchase of the nine claims is $50,000 cash, 100,000 common shares of the Company and a 2% Royalty on any portions of the claims not superseded by valid, pre-existing claims staked or granted, all of which the Company owns.

Exploration Programs and Drill Results

Bravo has now completed the 2009 exploration program at the Homestake Ridge Project, although further evaluation of the core continues and an update of the resource at the **Main Homestake and Homestake Silver** deposits is underway. Metallurgical, engineering, and environmental studies are also underway.

A total of 48 diamond drill holes for 13,436 metres were completed on the property in 2009, mostly at two primary target areas. Drilling continued to define the extent and geometry of mineralization in the **Main Homestake** deposit. A second high-grade gold and silver deposit was discovered this season, the **Homestake Silver** deposit, located about 700 metres to the southeast of the Main deposit. Twenty-one holes were drilled in Homestake Silver deposit (two lost), twenty-two holes in the Main Homestake deposit (four lost), and five holes tested other targets on the claim group (one lost). Bravo also completed a 630-line kilometre AeroTEM III airborne geophysical survey over the entire property and 1:1000 surface mapping was conducted over targeted areas throughout the project.

Compilation of surface mapping and recently acquired AeroTEM III airborne geophysical data has identified several significant exploration targets through the central and northern part of the property. The strong correlation of gold mineralization with potassic alteration suggests that radiometric geophysics could identify new mineralized areas. Anomalously low Th/K ratios, which are indicative of elevated potassium concentrations, accurately correlate with the distribution of mineralization in the **Main Homestake** and **Homestake Silver** deposits and identify a third more widespread potassic anomaly of equal size located to the east of the combine anomalies at **Main Homestake** and **Homestake Silver** deposits. A total of six areas with radiometric anomalies have been identified for follow up during the 2010 field season.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Exploration Programs and Drill Results, continued

Detailed mapping and sampling within these anomalous areas are suggestive of a large-scale tensional basin within the upper Hazelton rocks that are underlying the Bowser Lake Group sediments, paleo-faults in such a setting probably control localization of the mineral deposits. Strong coincident pathfinder geochemistry (e.g. arsenic, antimony and mercury), potassic alteration, and iron-sulphide rich stratigraphy highlight the further exploration potential along the full 4000 metre alteration corridor located in the headwaters of the Kitsault River valley and several other targets within the Homestake Rdge property.

Twenty-two drill holes totaling 4,836 metres were collared in the **Main Homestake** deposit.. Highlights include an 11.9 metre (est. true width) interval averaging 13.0g/t gold and 19.5g/t silver within a 42.4 metre interval of 6.1g/t gold and 11.3g/t silver in drill hole HR09-152. The hole, located 35 metres to the southeast of hole HR08-87, tested a previously undrilled 65 metre interval between drill holes HR09-87 (15.1 metres of 69.2g/t gold and 29.4g/t silver; see NR-22-08) and HR05-17 (7.6 metres of 10.6g/t gold and 21.8g/t silver; see NR-20-05), and confirms continuity of significant grade and thickness within this strongly mineralized structure.

Additional drilling tested deeper base-metal -rich "feeder-style" mineralization, which returned a 23.8 metre interval averaging 1.7g/t gold and 1.5g/t silver from drill hole HR09-143 and a 0.9 metre interval grading 11.4g/t gold and 15.2g/t silver from HR09-141. Mineralization in both of these holes is spatially associated with higher than average copper values in the form of chlorite-pyrite-quartz stockworks with locally semi-massive to massive chalcopyrite and galena-sphalerite veins.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

<u>**Exploration Programs and Drill Results, continued**</u>

Table 1: Summary of significant assays from the 2009 Main Homestake deposit drilling

Homestake Main Deposit:

Hole #	From (m)	To (m)	Interval (m)	Est. Tr. Thck (m)	Au (g/t)	Ag (g/t)
HR09-128	82.3	123.3	41.1	33.6	0.8	1.6
and	**141.2**	**174.5**	**33.3**	**27.2**	**3.4**	**2.9**
inc.	141.2	143.8	2.6	2.2	18.5	19.5
HR09-129	**65.2**	**66.3**	**1.1**	**1.1**	**9.2**	**6.8**
and	121.3	123.8	2.6	2.6	1.7	1.6
and	134.3	138.3	4.0	4.0	2.0	30.8
inc.	134.3	135.8	1.5	1.5	5.0	42.9
HR09-141	241.4	245.4	4.0	4.0	2.8	4.5
inc.	241.4	242.3	0.9	0.9	11.4	15.2
and	309.6	313.3	3.5	3.4	1.5	22.6
inc.	309.6	310.7	1.1	1.1	1.8	52.0
HR09-143	254.3	280.0	25.7	23.8	1.7	1.5
inc.	**254.3**	**256.2**	**1.9**	**1.8**	**3.2**	**8.2**
HR09-152	74.1	116.4	42.4	41.6	6.1	11.3
inc.	**90.6**	**95.4**	**4.9**	**4.8**	**18.3**	**19.2**
inc.	**104.7**	**108.0**	**3.3**	**3.2**	**36.3**	**50.7**
HR09-154	78.3	135.8	57.5	47.5	1.8	2.1
inc.	78.3	84.9	6.6	5.5	2.0	3.9
and	122.0	123.4	1.4	1.2	3.1	2.5
and	**128.8**	**135.8**	**7.1**	**5.9**	**8.5**	**5.9**
inc.	**133.9**	**135.8**	**2.0**	**1.7**	**24.3**	**6.9**

Homestake Silver deposit
A total of twenty-one drill holes for 7,175 metres were completed on the **Homestake Silver** deposit.

Recent drill results from hole HR09-161 (7.0m of 18.2g/t Au and 946.3g/t Ag) have extended the northwestern projection of the gold-rich, high-grade primary vein, first encountered drill holes HR09-146 (3.6 metres of 10.6g/t gold and 1689g/t silver) and HR09-137 (4.1 metres of 6.9g/t gold and 193.5g/t silver) by up to 110 metres.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Exploration Programs and Drill Results, continued

Drilling at the Homestake Silver deposit from 2007-09 has now identified high-grade silver and gold mineralization, in multiple veins over a 350 metre strike-length and have tested the structure to a depth of 400 metres. Mineralization is open down-dip along this full strike-length.

Table 1: Summary of significant assays from the Homestake Silver deposit drilling

Homestake Ag Zone:

Hole #		From (m)	To (m)	Interval (m)	Est. Tr. Thck (m)	Au (g/t)	Ag (g/t)
HR09-137		160.8	177.9	17.2	13.7	2.6	86.5
	inc.	**170.9**	**175.9**	**5.1**	**4.2**	**6.9**	**193.5**
	and	279.4	283.6	4.2	3.3	0.8	65.5
	inc.	**282.9**	**283.6**	**0.7**	**0.6**	**4.1**	**332.0**
HR09-146		132.4	136.3	3.9	2.8	0.2	109.5
	and	**206.4**	**280.6**	**74.2**	**54.2**	**1.2**	**142.4**
	inc.	**209.9**	**214.9**	**5.0**	**3.7**	**10.6**	**1689.6**
	inc.	**209.9**	**210.8**	**0.9**	**0.7**	**49.0**	**9027.0**
	and	**261.8**	**263.3**	**1.5**	**1.1**	**3.7**	**289.0**
HR09-150		290.3	295.1	4.9	4.0	2.1	95.7
	inc.	**291.6**	**293.1**	**1.5**	**1.2**	**5.2**	**209.0**
	and	329.3	341.9	12.6	10.3	0.6	54.3
	inc.	**330.3**	**332.4**	**2.0**	**1.6**	**1.3**	**278.0**
	and	**345.9**	**347.0**	**1.1**	**0.9**	**4.4**	**71.7**
HR09-156		172.7	180.9	8.2	6.2	0.2	201.8
	inc.	176.8	179.5	2.7	2.0	0.2	567.0
	and	225.4	241.0	15.6	11.7	1.3	335.4
	inc.	**225.4**	**228.0**	**2.6**	**2.0**	**---**	**919.0**
	inc.	**238.2**	**241.0**	**2.8**	**2.1**	**7.0**	**835.4**
HR09-161		**304.3**	**312.8**	**8.6**	**7.0**	**18.2**	**946.3**
	inc.	**307.0**	**312.8**	**5.9**	**4.8**	**25.9**	**1358.1**
	inc.	**309.4**	**311.7**	**2.3**	**1.9**	**51.8**	**2592.0**

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

<u>**Drilling Programs and Results, continued**</u>

The Company has aggressively explored the Homestake Ridge project and has now , completed 168 drill holes on the project for a total of 40,811.8 metres of drilling at a cost of +$18 million. Exploration has focused on identifying and upgrading the mineral resources at the Main Homestake deposit and delineation of the Homestake Silver deposit and other exploration targets. Of the total drilling, 123 drill holes were completed on the Main Homestake deposit and 27 drill holes were completed on the Homestake Silver deposit. Eighteen additional holes were drilled in other parts of the property.

In April 2007, the Company received an independent 2007 Technical Report for the Homestake Ridge Au-Ag deposit that reports an **Inferred Mineral Resource** estimate of 11.9 million tons grading 2.36g/t gold and 15g/t silver at a cut-off grade of 0.5g/t Au, for a total of 903,231 ounces of gold and 5,745,746 ounces of silver. The independent NI-43-101-compliant technical evaluation of the property includes a summary of historical work on the property, a compilation of the Company's exploration and development activities on the project from 2003-06, and a block model resource estimate for the Main Homestake deposit.

The block model resource estimate, which outlines preliminary gross tonnages and grades for the deposit based on various cut-off grades, incorporates data from 45 diamond drill holes, totaling 8,788 meters, derived from the Company's 2003, 2005 and 2006 drilling programs. The model places all resources into the inferred category using a 100-meter search radius and a specific gravity of 2.7 mt/m^3. No cutting of high-grade assays was used in the calculations; however, only 13 intervals contain values in excess of 30 g/t Au. Resources at cut-off grades of 3.0 g/t Au and 5.0 g/t Au are also reported in this early assessment of the potential of the Homestake zone. Results from the block model include:

Cut off (g/t Au)	Category	Tonnes (in thousands)	Gold Grade (g/t)	Silver Grade (g/t)	Copper Grade (%)	Contained Gold (troy ounces)	Contained Silver (troy ounces)
0.5	Inferred	11,914	2.36	15.00	0.11	903,231	5,745,746
3.0	Inferred	2,302	7.53	31.00	0.27	557,366	2,294,905
5.0	inferred	1,265	10.61	38.30	0.37	431,685	1,558,004

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

Drilling Programs and Results, continued

Current interpretation of the **Main Homestake deposit** suggests a model that is transitional between VMS and epithermal types. The deposit is modeled as stacked siliceous lenses with variable amounts of gold- and silver-rich iron and base-metal sulphides that formed in an active extensional basin within a northeast-dipping stratigraphy that down-step to the northeast with higher-grade feeders connecting the stratabound lenses. Similar geological relationships are anticipated for the Homestake Silver, Vanguard Gold and Vanguard Copper areas.

Compilation of surface mapping and recently acquired airborne geophysical data has identified several significant exploration targets through the central and northern part of the property.

Metallurgical and Engineering Studies

Composite samples of quartered core representing mineral styles from five separate zones through the Main Homestake deposit were submitted to SGS laboratories in Lakefield, Ontario for metallurgical studies. The metallurgical program is being conducted under the supervision of Melis Engineering Ltd.

Initial metallurgical testing on a blend of composites from three different areas in the Main Homestake deposit is very encouraging. The test work involved combinations of gravity separation, flotation, whole-ore cyanidation and concentrate cyanidation to derive four separate process flow sheets. These resulted in calculated recoveries of 87% to 92% for gold and 59% to 70% for silver.

Gravity recovered 35% of the gold and 20% of the silver into a gravity concentrate. Lock-cycle flotation tests on gravity tails yielded gold, silver and copper recoveries of 85%, 84% and 95%, respectively, while direct cyanidation of gravity tails yielded gold and silver extractions of 87% and 49%, respectively. Rougher flotation of gravity tails yielded 92% gold and silver recoveries into a rougher flotation concentrate. Cyanidation of reground rougher flotation concentrate yielded gold and silver extractions of 88% and 60%, respectively.

E. Description of Mineral Properties, continued

i) Homestake Ridge, continued

<u>Metallurgical and Engineering Studies, continued</u>

Bravo has retained Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) to consult in the development of the Homestake Ridge Project. Scott Wilson RPA conducted an internal review of all historical data from the project, a field examination and evaluated on-going programs, including resource modeling, QAQC protocols, engineering studies and metallurgical studies. They are currently working on developing a new resource estimate for the Main Homestake and Homestake Silver deposits.

The Scott Wilson Mining Group, including Scott Wilson Roscoe Postle Associates Inc., is based in Toronto with offices in Canada, the United Kingdom, China, and Zambia. The Mining Group consults to major mining companies, junior mining and exploration companies, financial institutions, governments, law firms and individual investors on all aspects of mining development and operation.

ii) Fossie Claim – Silver Basin project

The Fossie claim – Silver Basin project is a single amalgamated claim of 760 hectares in which Bravo may acquire a 100% interest, subject to a 1.5% royalty of which 1% may be purchased for $1 million, by making staged payments totaling $200,000 and incurring $500,000 in expenditures over a four year period.

On November 4, 2009 parties to the option agreement amended the agreement as follows:

(i) Pay an initial payment of $10,000 (paid).

(ii) Pay $15,000 (paid) and incur in the aggregate a minimum of $25,000 (incurred) in exploration expenditures on or before June 5, 2008.

(iii) Pay $25,000 (paid) and incur in the aggregate a minimum of $125,000 (incurred) in exploration expenditures on or before November 30, 2009 and June 5, 2009 respectively.

(iv) Pay $150,000 and incur in the aggregate a minimum of $750,000 in exploration expenditures on or before June 5, 2012.

E. Description of Mineral Properties, continued

ii) Fossie Claim – Silver Basin project, continued

The Property is located 14 kilometres to the southeast of the Homestake Ridge project and is underlain by volcanic and sedimentary rocks of the Upper Triassic Stuhini Group, which host mineralization at the adjacent Dolly Varden Silver Camp. Historic Production from the Dolly Varden Camp was in excess of 20 million ounces silver.

During the fall of 2008, BVG completed two drill holes on the Fossie claims for a total of 210.3 metres. Drilling intersected interbedded mudstone and crystal lithic volcanic tuff. Mineralization includes fine-grained pyrite and pyritic laminations within the mudstone units and traces of chalcopyrite and sphalerite in zones of quartz carbonate breccia. Assays returned low values of precious metals; however typical copper values >100ppm occur throughout both drill holes and are considered of interest for further evaluation.

iii) Battle Mountain/Eureka Trend

The Battle Mountain/Eureka Trend properties are prospective Carlin-type sediment-hosted gold exploration properties located strategically within the Battle Mountain-Eureka gold trend in central Nevada.

The Company controlled a total of 1,354 claims covering approximately 40 square miles in the southern and central portions of the Battle Mountain-Eureka gold trend during the period; however, the number of claims was reduced to 946 claims covering approximately 30 square miles on September 1, 2009 in order to eliminate portions of the projects that have been negatively tested. The properties are near Barrick's multi-million ounce gold deposits at Cortez Hills, Pediment and ET Blue.

Trend Resources LLC ("Trend") identified several of the Company's properties in the Battle Mountain-Eureka area, and pursuant to an agreement made in November 2003, Trend retains a 1% NSR for those properties. In addition, any property that is staked or otherwise acquired directly by the Company within the defined area of interest will also be subject to a 0.5% NSR payable to Trend.

The Company also has the option to acquire interests on the Half Ounce property, the Mountain Boy parcel (Signal and Temple), the SF property and the Granite Mountain property from independent third parties.

E. Description of Mineral Properties, continued

Mountain Boy Parcel (Signal, Temple and Shiva projects)

In June 2005, the Company acquired the right to earn an interest in the Mountain Boy parcel of claims from a private optionor. The parcel is located in the northwestern portion of the Eureka Mining District, west of Barrick's Ruby Hill Mine. The Company currently has 202 claims in Mountain Boy Parcel, which consists of two separate prospects: the Signal project (164 claims) and the Temple project (38 claims).

The Company dropped the third prospect, the Shiva project (33 claims), on May 29, 2009 after extensive surface sampling and mapping and amended the option agreement accordingly.

Historic drilling at the Signal project targeted shallow, oxide gold mineralization that is exposed along strike for approximately 1,000 meters. An extensive database of historic drill data, mapping, sampling, and CSAMT geophysics exists, which the Company has compiled into a 3D GIS model. In 2006, the Company drilled twelve holes at Signal for a total of 2,062 meters of the planned 3,500-meter program before drilling was discontinued for the season. The program resumed in late fall of 2007 when seven additional holes were drilled for a total of 1,322m.

Thick zones of oxidized, gold mineralization (generally <1.0 g/t Au) were intersected at the main Signal target area. The strongest mineralization occurs along a northerly trending high-angle fault. Mineralization is associated with jasperoid development, decalcification, oxidation of iron minerals, and pathfinder elements that are typical of Carlin-style gold mineralization. An evaluation of drill results and geologic mapping suggests that the relatively small, near-surface gold deposit identified to date may be leakage from a potentially larger and richer deposit beginning at a depth of about 460 meters.

The Company has permits for two sites that would provide an initial test of the deeper, potentially high-grade target; although, a minor increase in bonding will be necessary prior to drilling.

E. Description of Mineral Properties, continued

Pete Hanson Project

The Pete Hanson project is a Trend property that was acquired by the Company and then optioned by Placer Dome US ("PDUS"). This 191-claim (1,538 ha) project, located two kilometers east of the Tonkin Springs deposits, was recently returned to the Company by PDUS, now a wholly owned subsidiary of Barrick. Although much of the area is covered by gravel, auriferous Lower Plate carbonate rocks and jasperoid crop out locally. The Company has developed several drill targets, which have now been permitted and bonded for drilling.

Shoshone Pediment Claims

In August 2005, the Company entered into an agreement with PDUS whereby PDUS quitclaimed its Shoshone Pediment claims, located in Lander County, Nevada, to the Company, but retained the one-time right to earn-back a 51% interest.

In November 2006, the Company completed an initial drill test to 762 meters with a mud-rotary rig. Drilling failed to encounter bedrock to the targeted depth, making the southwestern portion of the project unattractive; this portion of the property was subsequently dropped. Exposed Upper Plate rocks in the northern and eastern portions of the project contain variable degrees of alteration and extensive low-level gold with anomalous pathfinder geochemistry, as well as an exposure of bedded barite.

Shoshone Pediment Claims, continued

In April 2009, the Company entered into an agreement with Baker Hughes whereby Baker Hughes acquired an option for the barite rights at the property. Gold and other minerals were retained by the Company, and the Company is entitled to splits of any drill samples obtained by Baker Hughes from the property. The Company will utilize these samples to further explore the property's mineral potential beneath the exposed barite deposit. Baker Hughes will make cash payments of US$25,000 on each anniversary date and will pay claim fees during the option period. Baker Hughes can exercise the option for a lump-sum payment of US$150,000, after which the Company will receive a royalty of US$1.00 per ton of barite ore produce in excess of 150,000 tons.

E. Description of Mineral Properties, continued

Granite Mountain Project

The Company acquired 129 hectares (320 acres) of private land called the Granite Mountain project pursuant to a lease agreement dated June 28, 2004.

The Granite Mountain project is located approximately 10 kilometers north of the Pipeline gold mine in Lander County, part of the Cortez district along the Battle Mountain-Eureka gold trend. The Company paid a finder's fee of US $1,500 to an independent third party to acquire the lease. The project is also subject to a 0.5% NSR to Trend.

On February 7, 2006, the Company signed a Letter of Intent with Agnico-Eagle (USA) Ltd. ("Agnico") regarding the Company's Granite Mountain project. In July 2006, Agnico began a deep-drilling program but was not able to complete a deep reverse-circulation hole to the planned depth of 730 meters due to stuck drill pipe; the hole targeted high-grade gold hosted by Lower Plate carbonates such as occurs in the nearby Cortez deposits. The hole was lost at 524 meters, and a second hole was drilled to 293 meters to complete its drill commitment. Both holes remained in Upper Plate rocks, but at least two different types of altered porphyry dikes were encountered in the deep hole and such dikes are associated with gold mineralization in the region.

Pathfinder geochemistry is typical for a Carlin-style gold system. Concentrations of gold and arsenic increase down hole from background levels of less than 20 ppb to approximately 60 ppb Au, with individual 3-meter intervals of +100 ppb Au, and from background levels of less than 50 ppm As to approximately 150 ppm As. In September 2006, Agnico returned the Granite Mountain property to the Company. During 2007, a competitor drilled a +1000-meter deep hole approximately 2.5 kilometers to the southwest of our Project, intersecting gold mineralization in Lower Plate carbonates beneath Upper Plate rocks.

South Lone Mountain Claims ("SoLM")

SoLM is a gravel-covered project located along a regionally significant geophysical "gravity break", and is underlain by favorable Lower Plate Paleozoic host rocks. Data generated or purchased by the Company and its previous partners include: geology and geochemistry from historic oil wells in Kobeh Valley and exposures at Lone Mountain, detailed gravity geophysics, 48 line kilometers of seismic geophysics, soil and gas geochemistry, and limited reverse-circulation and mud-rotary drilling. Samples from one of the historic oil wells contained significant gold mineralization at the base of Tertiary gravel, although the source of the gold remains unknown.

E. Description of Mineral Properties, continued

Half-Ounce Property

The Company acquired an option on the Half Ounce Property in January 2005 from independent third parties. This gravel-covered property consists of 66 lode claims located 15 kilometers east of PDUS's ET Blue deposit. Gold mineralization occurs in Lower Plate carbonates nearby at Red Hill (owned by Miranda). The Company amended the option agreement with effect January 12, 2009 as, US$4,000 on January 12, 2009 (paid) and January 12, 2010 (paid) US$8,000 on January 12, 2011, US$16,000 on January, 12, 2012, US$32,000 January 12, 2013, US$50,000 January 12, 2014 and US$50,000 on each anniversary thereafter.

During 2006, one mud-rotary hole was completed to 427 meters. The hole intersected gravel and lake sediments, and ended in unaltered tuffaceous sandstone.

On January 1, 2010, the Company entered in an agreement and granted Nulegacy Gold Corporation ("Nulegacy") an option to earn 70% interest in the property by incurring exploration expenditures totaling $1,150,000 over the next five years and issuing the Company 50,000 of its common shares within thirty days following execution of the agreement.

NSR property

On February 4, 2010 Bravo Alaska Inc. sign an agreement to acquire the NSR property located in the Western portion of the Cortez Mining district in Nevada from Agnico-Eagle (USA) Limited("Agnico"), a subsidiary of Agnico-Eagle Mines Limited.

The Company can earn 100% interest by issuing to Agnico 300,000 BVG common shares (Issued before the Plan of arrangement) and spending US$ 2 million over a maximum of six years. The agreement includes the immediate transfer of ownership of a logistical base in nearby Crescent Valley, which includes a work shop and double-wide trailer for personnel. The base will be used for this and nearby Company properties. After the Company completes the earn-in, Agnico has 60 days to either accept a 2% NSR, of which 1% NSR can be purchased for $1 million, or exercise its option to earn back 60% interest by spending $4 million over a four year period, with a minimum expenditure of 1 million annually and producing a bankable-quality feasibility document. Agnico can earn a further 10% for a total of 70%, by loaning or arranging for financing of the Company's share of capital required for mine development and construction cost, at the Company's option.

E. Description of Mineral Properties, continued

SF Property

The SF Property is located in Eureka County in central Nevada in an area of gentle to moderate topography known as the Cortez Mountains. The project is approximately 25km east of the Bullion and Cortez Mining districts with gold production of over 10 million ounces and lies within the Battle Mountain-Eureka Gold trend. It is located approximately 92km northwest of the small mining town of Eureka.

The project consists of 102 unpatented, lode mining claims, approximately 853 hectares. All claims are located on U.S. federal land managed by the Battle Mountain District of the BLM. The claims are located in T26N, R49E sections 1, 2, & 3 and T27N, R49E sections 26, 27, 34, 35, & 36. The claims are legally registered and recorded with both the BLM and Eureka County. All federal and county fees pertaining to holding of the claims have been paid through September 1, 2010. The total of these fees for the 2009-2010 year was US$15,355.00.

Pursuant to a property option agreement dated April 1, 2004 with Trend Resources, and amended November 20, 2006, the Company acquired the right to earn a 100% interest in the original 66 SF claims. To date, the Company has paid US $135,000 to Trend and issued 25,000 common shares. Payments are made through December 11, 2009. To earn its interest, Bravo must pay Trend an additional US$150,000.00 in staged amounts by December 11, 2011. If the Company meets the terms and conditions and elects to exercise the option, the Company would acquire a 100% undivided interest, subject to a 1% NSR, which the Company may reduce to 0.5% by paying $3,000,000. Bravo staked an additional 36 SFB claims to cover projections of mineralization and Trend is entitled to a 0.5% NSR royalty on these new claims. The Company has a Notice approved by the BLM that provides for the construction and drilling of four sites. The project is fully permitted to drill.

E. Description of Mineral Properties, continued

Other Battle Mountain Properties

Targeting has been completed at **Gabel Canyon**, and targeting has also been completed at the Company's **North Lone Mountain** property, with permitting and bonding completed for seven drill sites. Prospective altered Lower Plate carbonates have been intersected beneath shallow gravel cover (30 to +100 metre thick) adjacent to the southern portion of the property, with altered and weakly gold-mineralized Upper Plate rocks intersected in and adjacent to the northern portion of the property. Two holes were drilled late 2007 at the gravel-covered **3Bar** property for a total of 445 metre, where historic drill-hole data indicate thick zones of anomalous gold values in the range of 10-150ppb. Favorable Lower Plate stratigraphy was intersected, most likely the Horse Canyon formation. The Company is seeking a joint-venture partner to further evaluate this property's potential.

On February 9, 2010 the Company's shareholders approved the Plan of Arrangement pursuant to which the Battle Mountain / Eureka Trend properties will be spun-off to Bravada Gold Corporation (Note A).

F. Mineral Properties Expenditures

See Note 8 to the January 31, 2010 unaudited consolidated financial statements for a detailed listing of expenditures. The deferred mineral property costs as at January 31, 2010, were as follows:

	Balance	Additions			YTD Balance
Property	**July 31, 2009**	**Q1**	**Q2**	**Fiscal YTD**	**January 31, 2010**
	$	**$**	**$**	**$**	**$**
Battle Mountain	3,707,247	178,795	70,955	249,750	3,956,997
Homestake Ridge	14,192,532	3,746,690	1,477,902	5,224,592	19,417,124
Basin - Fossie claims	199,090	2,369	38,269	40,638	239,728
Total	**18,098,869**	**3,927,854**	**1,587,126**	**5,514,980**	**23,613,849**

G. Results of Operations

Significant variances are summarized below:

	Six months ended January 31,		Variance	
	2010	**2009**	**Increase/(Decrease)**	
	$	**$**	**$**	**%**
Expenses				
Administration	59,250	50,250	9,000	18%
Consulting services	182,104	166,615	15,489	9%
Independent directors' fees	28,148	19,055	9,093	48%
Investor relations	163,078	173,665	(10,587)	-6%
Office and general	133,041	102,976	30,065	29%
Professional fees	137,806	107,743	30,063	28%
Regulatory fees and taxes	7,578	11,341	(3,763)	-33%
Shareholders' communications	60,030	47,857	12,173	25%
Transfer agent	9,791	11,092	(1,301)	-12%
Travel and promotion	74,360	122,774	(48,414)	-39%
Stock-based compensation	970,014	529,651	440,363	83%
Other Items				
Interest income	(24,148)	(5,314)	18,834	-354%
Foreign exchange loss/(gain)	6,786	(137,295)	144,081	-105%
General exploration	38,420	19,244	19,176	100%
Write-(up)/down of asset backed commercial paper	(19,612)	-	(19,612)	NA

For the six months ended January 31, 2010 ("2010"), the Company reported a net loss of $ 1,833,452 compared to a net loss of $1,228,350 for the nine months ended January 31, 2009 ("2009").

Stock based compensation is a non-cash item representing the fair value determined under the Black-Scholes model of the vested portion of existing options, which was allocated to the consolidated statement of operations and deficit. Allocation of stock based compensation for 2010 was $970,014 (2009: $529,651). Excluding stock-based compensation, the loss in 2010 was $863,438 compared to a loss of $698,699 in 2009. The increase in loss of $164,739 was primarily due to the following:

G. Results of Operations, continued

i) Administration expenses increased due to increase in the office space utilization by the Company.

ii) Consulting fees increased due to increase in need of consulting services.

iii) Independent directors' fees increased due to increase in number of meetings and independent directors during the period.

iv) Investor relations fees decreased due to decrease in investor relation activities to attract new investors for on going and future financing.

v) Office and general expenses increased due to an increase in the time expended administering the company.

iv) Professional fees increased due to an increased requirement for professional services, especially for the Plan of Arrangement.

v) Travel and promotion costs decreased due to decrease in travel for trade shows and analyst meetings.

vi) Interest income increased due to a increase in cash available for placements.

vii) The foreign exchange loss increased due to the unfavorable exchange rate prevailed during the period.

viii) General exploration expenses increased due to increase in expenses relating to new property search for exploration purposes.

ix) The Share holder communications costs increased during the period due to increased activities in relation to Plan of Arrangement and annual general meeting.

x) The Company wrote-up the asset backed commercial paper based on the outcome of the valuation of the papers, resulting in a decrease in net loss during the period by $ 19,612.

H. Quarterly Results

The following financial data was derived from the Company's consolidated financial statements for the current and eight previous quarters:

	January 31 2010 $	October 31 2009 $	July 31 2009 $	April 30 2009 $	January 31 2009 $	October 31 2008 $	July 31 2008 $	April 30 2008 $	January 31 2008 $
Operating expenses (net of sbc)	$ 450,157	$ 411,835	$ 411,825	$ 430,310	$ 466,099	$ 355,965	$ 299,433	$ 284,610	$ 336,107
Interest earned	(21,807)	(2,341)	(26,132)	(31,559)	(2,789)	(2,525)	(7,524)	(17,202)	(42,013)
Foreign exchange loss /(gain)	2,047	4,739	26,260	9,056	(45,302)	(91,993)	(23,348)	(11,571)	(129,494)
General exploration	17,543	20,877	32,559	8,915	10,190	(91,993)	6,272	5,582	4,582
Mineral property recoveries	-	-	221	(15,984)	-	(91,993)	(45,008)	-	-
Write - down/(up) of asset backed commercial paper	32,240	(51,852)	(131,114)	-	-	(91,993)	354,187	-	-
Loss before other items	480,180	383,258	313,619	400,738	428,198	(14,532)	584,012	261,419	169,182
Future income tax recovery	-	-	-	(1,235,350)	-	-	-	(780,192)	-
Write-off of mineral properties	-	-	5,693,341	-	-	-	-	-	-
Investment recovery	-	-	-	-	-	-	-	-	(5,115)
Share purchase warrants modified	-	-	39,100	-	-	-	-	-	-
Stock-based compensation (sbc)	961,470	8,544	896,976	85,776	133,336	396,315	135,490	84,980	-
Net Loss/(Profit)	**$ 1,441,650**	**$ 391,802**	**$ 6,943,036**	**$ (748,836)**	**$ 561,534**	**$ 381,783**	**$ 719,502**	**$ (433,793)**	**$ 164,067**
Loss/(profit) per share - basic and diluted	$0.01	$0.00	$0.07	$(0.01)	$0.01	$0.00	$0.01	$(0.01)	$0.00

I. Second Quarter Analysis

The Company completed the final tranche of the non brokered private placement announced on October 6, 2009 and amended on October 14, 2009 for a total gross proceeds of $ 3,086,686 (Note K (i).

The Company received $ 1,864,256, $33,150 and $75,375 for exercise of warrants, options and agent options respectively (Note K (iii)).

The Company completed drilling at Homestake Ridge property and the cash outflows were mainly to meet the drilling expenses.

The Company financed $1,500,000 in Bravada Gold Corporation pursuant to the Plan of Arrangement (Note A).

J. Related Party Transactions

The Company entered into the following related party transactions during the period ended January 31, 2010.

(a) Under service agreements, as amended, between the Company and a company privately held by a director and an officer of the Company, the Company was charged as follows:

- $59,250 in respect of the office accommodation and management services;
- $55,874 in respect of professional services;
- $64,725 in respect of consulting services;
- $34,822 in respect of investor relations services;
- $40,230 in respect of office administration services;
- $6,810in respect of computer and systems support services;
- $138,375 in respect of geological consulting services in relation to mineral properties; and
- $3,206 in respect of the mark-up on out-of-pocket expenses.

(b) Fees in the amount of $44,052 were charged by a law firm controlled by a director and an officer of the Company and included in investor relations, professional fees and mineral property expenditures. Amounts payable as at January 31, 2010 were $11,004.

(c) Fees in the amount of $39,919 were charged by a director and an officer of the Company for geological consulting services.

(d) Consulting fees relating to corporate development and share issue cost of $411,000 were charged by a private company controlled by a director and an officer of the Company.

(e) Consulting fees relating to office administration of $12,000 were charged by a private company controlled by an officer of the Company.

(f) Pursuant to a consulting agreement, between the Company and a director and an officer of the Company, the Company was charged $36,000 for consulting services.

These transactions are in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

K. Financial Conditions, Liquidity and Capital Resources

The Company has limited financial resources and finances its operations by raising capital in the equity markets. For the near future, the Company will need to rely on the sale of such securities and/or enter into joint venture agreements with third parties to provide working capital and to finance its mineral property acquisition and exploration activities.

Since the Company does not generate significant revenue from operations, its long-term profitability will be directly related to the success of its mineral property acquisition and exploration activities.

	Six months ended January, 31			
		2010		**2009**
Current assets	$	9,587,262	$	1,770,848
Mineral properties		23,613,849		21,127,965
Investments		636,540		485,814
Equipment		-		4,418
Advance to related parties		-		9,937
Reclamation bond		71,593		55,871
Total consolidated assets	**$**	**33,909,244**	**$**	**23,454,853**

As at January 31, 2010, the Company had a working capital of $9,108,016 (January 31, 2009 - $1,400,243). Cash and cash equivalents as at January 31, 2010 were $9,435,690 (January 31, 2009 - $1,524,495), of which $5,094,427 (January 31, 2009 – $1,462,706) was for flow-through expenses. As at January 31, 2010 accounts receivable $116,958 (January 31, 2009 - $69,390) consisted of commodity tax refunds receivable.

i) Equity financing

Financing during the six months ended January 31, 2010

On October 6, 2009 the Company reported that it proposed two private placements to raise $ 7,700,000. The placements were over subscribed and on October 14, 2009 the Company amended the private placements to issue a total of 17,450,000 common shares in two non-brokered private placements for total gross proceed of $8,407,500.

K. Financial Conditions, Liquidity and Capital Resources, continued

i) Equity financing, continued

Financing during the six months ended January 31, 2010, continued

(1) Issue 6,350,000 units at a price of $0.45 per unit to raise $2,857,500. Each unit will consist of one common share and one-half share purchase warrant, each whole warrant exercisable to purchase one additional common share at an exercise price of $0.50 per share for a period of two years from the closing date. Net proceeds will be for general working capital and to finance the Company's "Plan of Arrangement" with Bravada Gold Corporation.

(2) Issue 11,100,000 units at a price of $0.50 per unit to raise $5,550,000. Each unit will consist of one common flow through share and one-half non flow-through share purchase warrant, each whole warrant exercisable to purchase one additional common share at an exercise price of $0.60 per share for a period of two years from the closing date.

Both financings closed in two tranches on October 28, 2009 and November 4, 2009.

The Company incurred total share issuance cost of $1,107,764 comprised of $465,255 finder's fees, $428,257 due diligence and other general share issue cost and $214,252 for the cost of agent's warrants issued and calculated using Black-Scholes option pricing model.

ii) Funds raised by stock options, warrants and agent options

During the six months ended October 31, 2009, 2,617,604 warrants were exercised for proceeds of $950,646, 110,000 stock options were exercised for proceeds of $34,350 and 43,125 agent options were exercised for proceeds of $12,938.

During the three months ended January 31, 2010, 3,699,365 warrants were exercised for proceeds of $1,864,256, 105,000 stock options were exercised for proceeds of $33,150 and 251,250 agent options were exercised for proceeds of $75,375.

Subsequent to January 31, 2010, 2,401,054 warrants were exercised for proceeds of $830,369 and 210,000 agent options were exercised for proceeds of $63,000.

K. Financial Conditions, Liquidity and Capital Resources, continued

iii) Exploration expenditures

During the six months ended January 31, 2010, the Company spent $5,519,262 on mineral expenditures.

For further information on these expenditures see Note E and F of this MD&A and Note 8 to the unaudited consolidated financial statements for the three months ended January 31, 2010.

Subsequent to the period ended January 31, 2010, the Company renounced exploration expenditures of $11,282,245 from 29,905,167 flow-through common shares issued during fiscal year 2009 and recognized $2,820,561 of future income tax recovery and share issue costs.

iv) Commitments

Mineral Properties

Over the next two years, pursuant to the terms of its option agreements and amendments thereto, the Company has the following expenditure commitments to maintain the agreements in good standing and earn its interests on the properties:

Fossie claims

(i) $150,000 and incur in the aggregate a minimum of $750,000 in exploration expenditures on or before June 5, 2012.

Service agreement

Under a service agreement, as amended, between the Company and a company privately held by a director and an officer of the Company, the Company is charged $8,000 monthly for office accommodation and administration services. The agreement may be cancelled at any time upon one year's notice and expires on June 30, 2012.

L. Outstanding Shares, Options and Share Purchase Warrants

i) Issued and outstanding shares

The authorized share capital of the Company is an unlimited number of common shares. The issued share capital as at March 18, 2010 is as follows:

	Number of Shares		Total
Balance as at January 31, 2010	**145,007,830**	**$**	**49,422,376**
Issued			
Exercised share purchase warrants	2,401,054		830,369
Exercised agent options	210,000		63,000
Issued to acquire mineral properties	300,000		108,000
Subtotal before share issue costs	147,918,884		50,423,745
Tax benefits renouced to flow-through share subscribers	-		(2,820,561)
Share issue costs	-		-
Balance as at March 18, 2010	**147,918,884**	**$**	**47,603,184**

ii) Agent Options

The Company granted agent options as part of the financing fees for the financing completed in May and June 2009. Agent's options are exercisable into units at $0.30 per unit for a two year period. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable at $0.35 per share for a period of two years from the closing date.

Exercise Price	Expiry Date	Balance January 31, 2010	Options Exercised	Balance March 18, 2010
$0.30	May 26, 2011	33,750	-	33,750
$0.30	May 27, 2011	1,416,375	210,000	1,206,375
$0.30	June 1, 2011	315,400	-	315,400
		1,765,525	210,000	1,555,525
Weighted average exercise price		$0.30	$0.30	$0.30

L. Outstanding Shares, Options and Share Purchase Warrants, continued

ii) Share Purchase Warrants

Warrants outstanding at March 18, 2010 are as follows:

Exercise Price	Expiry Date	Balance January 31, 2010	Cancelled or Expired	Warrants Exercised	Balance March 18, 2010
$0.35	February 22, 2010	2,402,789	201,735	2,201,054	-
$0.35	March 1, 2010	39,706	39,706	-	-
$0.35	March 5, 2010	459,620	459,620	-	-
$0.30	March 12, 2010	600,000	400,000	200,000	-
$0.35	March 12, 2010	40,000	40,000	-	-
$0.50	June 5, 2010	178,662	-	-	178,662
$0.40	December 12, 2010	3,426,428	-	-	3,426,428
$0.40	June 12, 2010	189,401	-	-	189,401
$0.48	December 12, 2010	550,000	-	-	550,000
$0.48	June 12, 2010	40,000	-	-	40,000
$0.60	February 19, 2011	300,000	-	-	300,000
$0.50	February 19, 2011	27,000	-	-	27,000
$0.35	May 26, 2011	950,000	-	-	950,000
$0.40	May 27, 2011	6,529,336	-	-	6,529,336
$0.35	May 27, 2011	1,835,000	-	-	1,835,000
$0.40	June 1, 2011	1,206,166	-	-	1,206,166
$0.35	June 1, 2011	741,667	-	-	741,667
$0.35	May 27, 2011	91,250	-	-	91,250
$0.60	October 28, 2011	3,031,459	-	-	3,031,459
$0.50	October 28, 2011	2,592,500	-	-	2,592,500
$0.45	October 28, 2011	600,742	-	-	600,742
$0.60	November 4, 2011	957,500	-	-	957,500
$0.50	November 4, 2011	143,540	-	-	143,540
$0.45	November 4, 2011	359,825	-	-	359,825
		27,292,591	**1,141,061**	**2,401,054**	**23,750,476**
Weighted average exercise price		$0.28	$0.33	$0.35	$0.41

L. Outstanding Shares, Options and Share Purchase Warrants, continued

iii) Stock Options

As at March 18, 2010, there were 14,342,916 stock options outstanding with a weighted average exercise price of $0.54 per share. Stock options currently outstanding are as follows:

Exercise Price	Expiry Date	Balance Jan 31, 2010	Options Granted	Cancelled or Expired	Options Exercised	Balance March 18, 2010
$0.420	March 4, 2010	125,000	-	125,000	-	-
$0.390	July 29, 2010	150,000	-	-	-	150,000
$0.430	October 13, 2010	768,333	-	-	-	768,333
$0.465	November 4, 2010	75,000	-	-	-	75,000
$0.990	March 27, 2011	125,000	-	-	-	125,000
$0.600	June 1, 2011	815,000	-	-	-	815,000
$1.280	September 15, 2011	20,000	-	-	-	20,000
$1.200	December 6, 2011	905,000	-	-	-	905,000
$1.200	July 10, 2012	1,070,000	-	-	-	1,070,000
$1.200	October 5, 2012	10,000	-	-	-	10,000
$0.300	May 6, 2013	449,583	-	-	-	449,583
$0.330	October 8, 2013	1,485,000	-	-	-	1,485,000
$0.400	November 5, 2013	2,160,000	-	-	-	2,160,000
$0.520	January 9, 2011	100,000	-	-	-	100,000
$0.350	March 18, 2014	200,000	-	-	-	200,000
$0.415	May 29, 2014	2,300,000	-	-	-	2,300,000
$0.540	September 30, 2011	350,000	-	-	-	350,000
$0.450	December 17, 2014	550,000	-	-	-	550,000
$0.450	January 8, 2015	2,090,000	-	-	-	2,090,000
$0.450	January 18, 2015	595,000	-	-	-	595,000
		14,342,916	**-**	**125,000**	**-**	**14,217,916**
Weighted average exercise price		$0.56	-	$0.42	-	$0.54

M. Subsequent Events and Outlook

There are no events subsequent to this document.

N. Off Balance Sheet Arrangements

The Company did not enter into any off balance sheet transactions or commitments as defined by National Instrument 51-102.

O. Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements.

P. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, who meet at least quarterly with management and, at least annually with the external auditors to review accounting, internal control, financial reporting, and audit matters.

Effective June 30, 2005, the audit committee adopted resolutions authorizing the establishment of procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The implementation of the whistleblower policy is in accordance with new requirements pursuant to Multilateral Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practice

Q. Risks and Uncertainties

The principal business of the Company is the exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered.

Q. Risks and Uncertainties, continued

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that our exploration programs will result in the establishment or expansion of resources or reserves.

Since the Company does not generate any revenues, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the sale of securities. The Company will need to continue its reliance on the sale of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all, and will depend largely on the acquisition and exploration activities pursued.

The ability to attract capital to the Company is dependent on movements in commodity prices. Commodity prices fluctuate on a daily basis and they are affected by a number of factors beyond the control of the Company. If, because of a sustained decline in prices, financing were not available to meet cash operating costs, the feasibility of continuing operations would be evaluated and, if warranted, discontinued.

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources.

Q. Risks and Uncertainties, continued

Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

The Company conducts exploration activities in the United States and Canada, and is subject to various federal, provincial, state laws, rules and regulations, including environmental legislation. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held by the Company.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse affect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

R. Changes in Accounting Policies, Including Initial Adoption

Current Accounting Changes

Goodwill

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. Adoption of the new Section did impact on the Company's consolidated financial statements since the Company does not have any goodwill or intangible assets that are accounted for in accordance with this section.

Future Accounting Changes

(i) Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners.

Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company will evaluate the impact of the adoption of these sections on its consolidated financial statements when applicable.

R. Changes in Accounting Policies, Including Initial Adoptions, continued

Future Accounting Changes

(ii) International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that the publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter ending October 31, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data system, internal control over financial reporting, and disclosure controls and procedures. The Company has established an implementation team to develop the changeover plan to IFRS.

As at March 18, 2010 the Company has identified the differences between the current GAAP that will be affected by the changeover and the corresponding IFRS and is currently considering the policy choices allowed under IFRS. The management submitted a document outlining the differences between current GAAP and IFRS, appropriate policy choices and their impact on the Company's financial statements and business processes to the Audit Committee for discussion.

The report defined the following accounting policies under IFRS with the greatest impact on the Company's current accounting policies: business combinations, interest in joint ventures, related parties transactions, share-based payments, provisions, and exploration costs if the Company decides to expense all exploration costs instead of capitalizing them as is the Company's current accounting policy.

Transition to the IFRS will have a medium impact on the Company's current IT system and accounting staff and will be managed with a certain amount of additional resources, mainly in respect of documentation of the new policies, drafting additional disclosure notes, and possible restatements related to expensing of exploration and evaluation costs and recognizing provisions.

The Audit Committee has not decided on the policy choices yet, and it is expected that the Company will be able to report on the elected policy choices and their impact on the Company's consolidated financial statements in its MD&A for the year ending July 31, 2010.

S. Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

T. Financial Instruments

The Company owns asset-backed notes ("AB Notes") with a face value of $1,199,480. The current Notes were issued in replacement of third party asset-backed commercial paper ("ABCP") formerly held by the Company. When the original ABCP matured but was not redeemed in 2007 it became the subject of a restructuring process overseen by the Pan Canadian Investor Committee. The restructuring was concluded on January 21, 2009 when the ABCP was replaced with long-term asset-backed securities - the AB Notes.

Using publicly available information received from the Pan Canadian Investor Committee as well as Ernst & Young, the court appointed monitor of the restructuring, and Blackrock, the asset administrator, the Company has been able to determine the key characteristics of each class of AB Notes it received: par value; credit rating; interest rate and projected interest payments; and maturity date. The Company then engaged an ABCP expert to help it estimate the return that a prospective investor would require for each class of AB Notes ("Required Yield"). The Company calculated the net present value of the cash flows for each class of AB Notes using the Required Yield as the discount factor. As a result of this analysis, the Company has estimated the fair market value of its AB Notes investment to be $636,539 as at January 31, 2010 (October 31, 2009 -$ 668,779 and July 31, 2009 - $616,927). Accordingly, the Company has recorded a write-down of $32,240 for the quarter ended January 31, 2010.

While the Company believes it has utilized an appropriate methodology to estimate fair value, given the current state and ongoing volatility of global credit markets, there can be no assurance that management's estimate of potential recovery as at January 31, 2010 is accurate. Subsequent adjustments, either materially higher or lower, may be required in future reporting periods. Management is continuing to seek all avenues to recover the maximum value from the original investments and interest due.

T. Financial Instruments, continued

The secondary market for the AB Notes are very illiquid with only a very small number of trades reported that took place at very distressed sales prices. There is little bidding activity and it is difficult to ascertain what potential volume could be transacted at those bids. Investors wishing to sell their AB Notes would have to realize a significant liquidity discount below the intrinsic value of the Notes. It is uncertain if or when a more liquid secondary market for the AB Notes will develop.

The Company has classified the New Notes as held for trading.

U. Proposed Transactions

Other than normal course review of monthly submittals, there are no new acquisitions or proposed transactions contemplated as at the date of this report.

V. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence.

Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce;, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities.

V. Forward-Looking Statements, continued

The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.