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Interim Consolidated Financial Statements

For the Three Months Ended October 31, 2010 and 2009

(An Exploration Stage Company)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim consolidated financial statements of the Company for the three months ended October 31, 2010 were prepared by the management and have **not been reviewed or audited** by the Company's auditors.

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Balance Sheets

	Note		October 31, 2010 (Unaudited)		July 31, 2010 (Audited)
Assets					
Current					
Cash and cash equivalents		$	880,934	$	1,280,975
Receivables			23,898		17,606
Investment	8		12,500		12,500
Prepaid expenses			71,873		77,407
Total Current Assets			**989,205**		**1,388,488**
Mineral properties	9		4,809,282		4,494,867
Reclamation bonds	6		70,263		71,287
Loan to Fortune River Resource Corp.	7		63,151		-
Deferred financing costs			-		80,627
Total Assets		$	**5,931,901**	$	**6,035,269**
Liabilities					
Current					
Accounts payable and accrued liabilities		$	77,033	$	181,074
Due to related parties	10		69,258		96,074
Total Current Liabilities			**146,291**		**277,148**
Shareholders' Equity					
Share capital	11		2,361,628		1,500,001
Subscription proceeds payable			-		651,250
Contributed surplus	11		4,693,235		4,650,203
Deficit			(1,269,253)		(1,043,333)
Total Equity			**5,785,610**		**5,758,121**
Total Liabilities and Equity		$	**5,931,901**	$	**6,035,269**

Nature of operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 15)

Approved on behalf of the Board

"Joseph A. Kizis"	*"G. Ross McDonald"*
Joseph A. Kizis	G. Ross McDonald
President	Audit Committee Chair

See notes to the consolidated financial statements

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Operations and Deficit
For the three months ended, October 31,

	Note		2010		2009
Operating Expenses					
Administration	10	$	24,240	$	-
Consulting			67,102		4,705
General exploration			1,130		17,569
Investor relations			37,472		-
Office and general			19,943		6,436
Professional fees			39,294		2,806
Regulatory fees and taxes			6,472		79
Shareholders' communications			4,838		-
Transfer agent			1,925		-
Travel and promotion			24,155		-
Total Operating Expenses		**$**	**226,571**	**$**	**31,595**
Other Items					
Foreign exchange loss			1,655		4,225
Interest income			(2,306)		-
Total Other Items		**$**	**(651)**	**$**	**4,225**
Net loss and comprehensive loss for the period			**225,920**		**35,820**
Deficit, beginning of the period			**1,043,333**		**257,025**
Deficit, end of the period		**$**	**1,269,253**	**$**	**292,845**
Loss per share - basic and diluted		$	0.01	$	35,820
Weighted average number of common shares outstanding			**31,932,261**		**1**

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
For the three months ended, October 31,

	2010	2009
Operating Activities		
Net gain (loss) for the period	**$ (225,920)**	**$ (35,819)**
Items not involving cash:		
Unrealized foreign exchange gain (loss)	941	-
	(224,979)	**(35,819)**
Change in non-cash working capital items:		
Receivables	(6,292)	-
Prepaid and deposits	5,534	(1,163)
Accounts payable and accrued liabilities	6,602	(10,621)
Due from related parties	(25,138)	6,625
	(19,294)	**(5,159)**
Cash Used in Operating Activities	**(244,273)**	**(40,978)**
Investing Activities		
Expenditures on mineral properties	(426,737)	(221,095)
Reclamation bonds refunded (purchased)	453	(20,670)
Cash Used in Investing Activities	**(426,284)**	**(241,765)**
Financing Activities		
Private placement	383,750	-
Share issue costs	(49,714)	-
Bravo Venture Group Inc. transfers	-	269,114
Fortune River Resource Corp. advances	(63,151)	-
Cash Provided by Financing Activities	**270,885**	**269,114**
Foreign Exchange Effect on Cash	**(369)**	**-**
Decrease in Cash During the Period	**(400,041)**	**(13,629)**
Cash and Cash Equivalents, Beginning of Period	**1,280,975**	**46,942**
Cash and Cash Equivalents, End of Period	**$ 880,934**	**$ 33,313**

Supplemental cash flow information (Note 13)

1. Nature of Operations and Going Concern

Bravada Gold Corporation (the "Company") is an exploration stage company. The Company was incorporated under the laws of British Columbia on September 4, 2009. As at May 4, 2010, the Company was listed on the TSX Venture Exchange ("TSX-V") with its shares on the Tier 2 Board trading under the symbol "BVA."

The Company's principal business activities include acquisition, exploration, and development of mineral natural resource properties. The Company has not yet determined whether any of its mineral properties contain ore reserves.

On September 22, 2009, the Company entered into an agreement with Bravo Venture Group ("BVG") by way of a Plan of Arrangement ("Arrangement") whereby BVG transferred its shares held in its wholly-owned subsidiary, Bravo Alaska Inc. ("BA"), to the Company. On February 9, 2010, BVG shareholders approved the Arrangement. Details of the Arrangement can be found in the Company's audited annual consolidated financial statements date July 31, 2010.

The comparative financial statements have been presented as a recapitalization of BA using the continuity of interest method, whereby the operations of the Company reflect the financial position and results of operations and cash flows of the combined companies since inception.

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 the necessary financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from the sale of mineral properties.

These consolidated financial statements have been 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. Currently the Company is unable to self-finance operations, has limited resources, no source of operating cash flow and no assurances that sufficient funding will be available to conduct further exploration and development of its mineral property projects.

The Company had a net working capital of $842,914 (current assets of $989,205 minus current liabilities of $146,291) as at October 31, 2010 compared to a net working capital of $1,111,340 as at July 31, 2010 (current assets of $1,388,488 minus current liabilities $277,148). The Company's current working capital position is sufficient to meet its administrative overhead costs for the next fiscal period. The continuance of the Company's operations is dependent on obtaining sufficient additional financing through the issuance of common shares. Management is actively seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

1. Nature of Operations and Going Concern, continued

The Company does not hold any revenue generating properties and thereby continues to incur losses. As at October 31, 2010, the Company has an accumulated deficit of $1,269,253 (July 31, 2010: $1,043,333). The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan.

The Company intends to continue relying upon the issuance of share capital to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

2. Basis of Presentation

The consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and include the accounts of the Company and its wholly-owned foreign integrated subsidiary, BA, incorporated in Alaska, U.S.A. All intercompany accounts and transactions have been eliminated upon consolidation.

Comparative figures of BA are presented for the year ended July 31, 2010 to reflect the financial position and for the three months ended October 31, 2009 to reflect the results of operations and cash flows as if the companies had been combined since their inception.

These unaudited interim consolidated 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 audited annual consolidated financial statements for the fiscal year ended July 31, 2010 ("AFS"). The results for the three months ended October 31, 2010 are stated utilizing the same accounting policies and methods of application as the most recent audited annual consolidated financial statements, but are not necessarily indicative of the results to be expected for the full year. 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 Company's functional and reporting currency is the Canadian dollar and all dollar amounts in these statements are in Canadian dollars, unless otherwise indicated.

3. Significant Accounting Policies and Accounting Changes

(a) Future Accounting Policy 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 is currently assessing the impact of the new standards on its consolidated financial statements.

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

In February 2008, the Canadian 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 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 progressing with its plan of addressing issues that may arise from the IFRS conversion.

4. Financial Instruments

The Company's financial instruments comprise cash, reclamation bonds, investments, accounts payable and accrued liabilities, and amounts due to related parties. Receivables consist of amounts due from the government and are excluded as a financial instrument. The Company has classified its financial instruments into the following categories:

4. Financial Instruments, continued

	October 31, 2010			July 31, 2010		
Financial Assets	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**
Cash	$ 880,934	$ -	$ -	$ 1,280,975	$ -	$ -
Investment	-	12,500	-	-	12,500	-
Reclamation bonds	-	-	70,263	-	-	71,287
	$ 880,934	$ 12,500	$ 70,263	$ 1,280,975	$ 12,500	$ 71,287

	October 31, 2010	July 31, 2010
Financial Liabilities	**Other Financial Liabilities**	**Other Financial Liabilities**
Accounts payable and accrued liabilities	$ 77,033	$ 181,074
Due to related parties	69,258	96,074
	$ 146,291	$ 277,148

Fair Value

The carrying values of cash, reclamation bonds, and accounts payable and accrued liabilities are a reasonable estimate of their fair values due to the relatively short time period to maturity. The fair value of amounts due to related parties cannot be reliably measured since there is no quoted price for such instruments. The fair value of investments is based on their expected market price in an upcoming initial public offering for these investments. The following table sets forth the Company's financial assets measured at fair value within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Investment	$ 12,500	$ -	$ -	$ 12,500

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

4. Financial Instruments, continued

(a) Credit Risk

The Company is exposed to credit risk with respect to managing its cash and reclamation bonds. 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. The maximum exposure is $951,197 which includes cash of $880,934 and reclamation bonds of $70,263 (July 31, 2010: $1,352,262, which includes cash of $1,280,975 and reclamation bonds of $71,287).

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. 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 anticipating investing and financing activities and through management of its capital structure. As at October 31, 2010, the Company has cash of $880,934 which will be sufficient to meet the cash requirements for the Company's administrative overhead, and continuing with its exploration program for the coming year.

(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 consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, the Company is not exposed to significant interest rate risk.

(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 October 31, 2010, the Company's net exposure to foreign currency risk is as follows:

4. Financial Instruments, continued

(c) Market Risk

(ii) Currency Risk

		US $		
		October 31, 2010		**July 31, 2010**
Cash	$	45,615	$	74,776
Reclamation bonds		68,872		69,325
Accounts payable and accrued liabilities		(29,813)		(137,066)
Amounts due to related parties		(7,031)		(9,027)
Net exposure to currency risk	$	**77,643**	$	**(1,992)**
Canadian dollar equivalent		**79,211**		**(2,050)**

Based on the above net foreign currency exposure as at October 31, 2010, assuming all other variables remain constant, a 10% weakening or strengthening of the Canadian dollar against the US dollar would result in $7,921 (US$7,764) increase or decrease respectively in the Company's net loss for the year.

(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 currency risk. The Company is exposed to other price risk through its investment as disclosed in Note 8. Assuming all other variables remain constant, a 10% decrease or increase in the market price of the Company's investment would result in $1,250 decrease or increase respectively in the Company's comprehensive income.

5. Management of Capital

The capital of the Company consists of components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests. The Company's objectives of capital management are to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the exploration of its mineral properties, and support any expansionary plans. The Company's primary process for managing capital consists of the ongoing assessment of current capital resources against budgeted exploration and administrative expenditures. In order to maintain or adjust the capital structure, the Company may issue new shares. There can be no assurance that the Company will be able to obtain equity capital when required.

As the Company is in the exploration stage, its operations have been funded by the issuance of common shares. The Company will continue to rely on share issuances for future funding depending upon market and economic conditions at the time.

There have been no changes in the Company's approach to capital management during the three months ended October 31, 2010. The Company is not subject to external restrictions on its capital.

6. Reclamation Bonds

The Company has posted non-interest bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on certain properties. The monies are held in trust and may be released after required reclamation is satisfactorily completed. As at October 31, 2010, the amount on deposit was $70,263 (US $68,872).

7. Loan to Fortune River Resource Corp.

On August 20, 2010, the Company entered into a loan agreement and became party to a promissory note with Fortune River Resource Corp. ("FRX"), in which the Company forwarded to FRX an amount of $63,151 (US $60,000). The funds were used for the purpose of paying claims fees. As per the agreement, the loan is interest free and the principal shall be repaid by March 1, 2011.

8. Investment

The Company held an investment in NuLegacy Gold Corp. ("NuLegacy") common shares, classified as available-for-sale. On January 1, 2010, the Company entered into an agreement and granted NuLegacy an option to acquire a 70% interest in the Half Ounce property, located in Nevada, by NuLegacy issuing 50,000 common shares to the Company. As of October 31, 2010, the Company holds 50,000 common shares of NuLegacy.

8. Investment, continued

		October 31, 2010 Fair Market Value		July 31, 2010 Fair Market Value
NuLegacy Gold Corp - 50,000 Common Shares	$	12,500	$	12,500

The Company holds less than 1% of the total number of shares of NuLegacy Gold Corp. as at October 31, 2010.

9. Mineral Properties

The Company has interests in several mineral properties in Nevada. A summary of capitalized acquisition and exploration expenditures on the Company's properties as at October 31, 2010 is as follows:

Mineral Properties	NSR	Battle Mountain	Mountain Boy - Signal	Mountain Boy - Temple	SF Claims	Gabel Canyon	North Lone Mountain	Pete Hanson	Subtotal
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance as at July 31, 2010	132,964	35,826	394,450	65,102	271,665	91,621	121,995	53,706	1,167,329
Additions during the period	3,162	-	6,228	606	1,140	702	897	2,091	14,826
Total as at October 31, 2010	**136,126**	**35,826**	**400,678**	**65,708**	**272,805**	**92,323**	**122,892**	**55,797**	**1,182,155**
Exploration									
Balance as at July 31, 2010	23,674	147,069	934,480	48,220	58,962	53,720	23,688	67,519	1,357,332
Assays and analysis	-	-	9,283	-	-	-	-	7,549	16,832
Camp and supplies	997	-	1,404	-	-	-	-	4,280	6,681
Drilling	-	-	29,841	-	-	-	-	168,578	198,419
Equipment rental and field supplies	779	-	3,077	44	44	44	44	5,437	9,469
General exploration	-	-	12,146	-	-	-	-	10	12,156
Geological services	7,735	-	-	-	122	122	-	24,609	32,588
Project supervision	451	-	6,575	-	387	-	-	5,479	12,892
Total additions during the period	9,962	-	62,326	44	553	166	44	215,942	289,037
Total as at October 31, 2010	**33,636**	**147,069**	**996,806**	**48,264**	**59,515**	**53,886**	**23,732**	**283,461**	**1,646,369**
Total acquisition and exploration									
Balance as at October 31, 2010	**169,762**	**182,895**	**1,397,484**	**113,972**	**332,320**	**146,209**	**146,624**	**339,258**	**2,828,524**

This table continues on the next page.

9. Mineral Properties, continued

This table is a continuation of the table from the previous page.

Mineral Properties	Subtotal	Granite Mountain	Shoshone	Half-Ounce	Three Bar	South Gold Bar	South Lone Mountain	Total
	$	$	$	$	$	$	$	$
Acquisition costs								
Balance as at July 31, 2010	1,167,329	79,257	55,871	97,006	122,581	40,491	331,608	1,894,143
Additions during the period	14,826	3,385	-	-	941	150	-	19,302
Total as at October 31, 2010	**1,182,155**	**82,642**	**55,871**	**97,006**	**123,522**	**40,641**	**331,608**	**1,913,445**
Exploration								
Balance as at July 31, 2010	1,357,332	51,572	178,334	115,458	-	96,506	801,522	2,600,724
Assays and analysis	16,832	-	-	-	-	-	-	16,832
Camp and supplies	6,681	-	-	51	-	-	-	6,732
Drilling	198,419	-	-	-	-	-	-	198,419
Equipment rental and field supplies	9,469	-	-	356	-	44	-	9,869
General exploration	12,156	-	-	-	-	-	-	12,156
Geological services	32,588	1,073	-	284	-	-	2,271	36,216
Project supervision	12,892	193	-	322	-	-	1,482	14,889
Total additions during the period	289,037	1,266	-	1,013	-	44	3,753	295,113
Total as at October 31, 2010	**1,646,369**	**52,838**	**178,334**	**116,471**	**-**	**96,550**	**805,275**	**2,895,837**
Total acquisition and exploration								
Balance as at October 31, 2010	**2,828,524**	**135,480**	**234,205**	**213,477**	**123,522**	**137,191**	**1,136,883**	**4,809,282**

9. Mineral Properties, continued

(a) Title to Mineral Properties

Title to mineral properties may be affected by unregistered prior agreements or transfers, as well as undetected defects. Although the Company has verified title to its mineral properties in accordance with standard industry practices applicable for the current stage of exploration, these procedures do not guarantee the Company's interests in its mineral properties.

(b) Environmental Expenditures

The operations of the Company may, in the future, be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

(c) Realization of Assets

Realization of the Company's investment in mineral properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal.

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.

10. Related Party Transactions

In addition to the related party transactions disclosed elsewhere in the consolidated financial statements, the Company entered into the following related party transactions during the three months ended October 31, 2010:

(a) Under the 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:

- $24,240 for office space and general administration services;
- $18,985 for professional services;
- $3,330 for consulting services;
- $24,760 for investor relations services;
- $1,844 in respect of the mark-up on out-of-pocket expenses, which were included in office and general expenses.

As at October 31, 2010, amounts payable under the agreement were $20,587 and prepaid rent of $48,000 is included in prepaid expenses. As at July 31, 2010, amounts payable were $19,478 and the Company advanced and included in prepaid expenses an amount of $56,000.

(b) Fees in the amount of $13,685 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 October 31, 2010 was $2,500 (July 31, 2010: $9,173).

(c) Fees in the amount of $40,500 were charged by a director and an officer of the Company for performing the role of Chairman for the Company. Amounts payable as at October 31, 2010 was $44,415.

(d) Administration fees relating to office administration of $4,000 were charged by a private company controlled by a director and an officer of the Company (resigned as an officer effective September 30, 2010). Amounts payable as at October 31, 2010 was $2,240.

(e) As at October 31, 2010, fees relating to professional services of $7,500 were charged by a private company controlled by an officer of the Company. Amounts payable as at October 31, 2010 was $2,800 (July 31, 2010: $4,113).

(f) Fees charged by a director and an officer of the Company as at July 31, 2010 for management, geological and mining consulting services were US $75,000. The charges are expensed or capitalized to mineral properties as appropriate. As at October, 31, 2010, the Company advanced and offset against due to related parties $3,284 (US$3,219) (July 31, 2010: Advanced $1,258 (US $1,223)) in order to meet operational expenses.

(g) Amounts payable as at October 31, 2010 was $Nil (July 31, 2010: $64,568) for fees charged in the previous fiscal year by a company controlled by a director and an officer of BA's former parent company BVG for investor relations.

10. Related Party Transactions, continued

The total amount due to related parties as at October 31, 2010 was $69,258 (July 31, 2010: $96,074). Amounts due to related parties are unsecured, non-interest bearing, and have no formal terms of repayment. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related party.

11. Share Capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Issued and Outstanding Shares and Contributed Surplus

The issued and outstanding share capital is as follows:

non Shares	Number of Shares		Amount		Contributed Surplus		Deficit		Total Shareholder's Equity
ce as at July 31, 2009	**1**	**$**	**1**	**$**	**-**	**$**	**(257,025)**	**$**	**(257,024)**
Shares issued - private placement	1,500,000		1,500,000		-		-		1,500,000
Shares issued - as per 'Plan of Arrangement'	24,119,217		-		4,388,518		-		4,388,518
Value assigned to stock options	-		-		261,685		-		261,685
Net loss for the year	-		-		-		(786,308)		(786,308)
ce as at July 31, 2010	**25,619,218**	**$**	**1,500,001**	**$**	**4,650,203**	**$**	**(1,043,333)**	**$**	**5,106,871**
Shares issued - private placement	6,900,000		1,035,000		-		-		1,035,000
Share issue costs - cash	-		(130,341)		-		-		(130,341)
Share issue costs - non-cash	-		(43,032)		-		-		(43,032)
Value assigned to agent warrants	-		-		43,032		-		43,032
Net loss for the period	-		-		-		(225,920)		(225,920)
ce as at October 31, 2010	**32,519,218**	**$**	**2,361,628**	**$**	**4,693,235**	**$**	**(1,269,253)**	**$**	**5,785,610**

(c) Equity Financings

On August 6, 2010, the Company closed the first tranche of a non-brokered unit private placement by issuing 6,000,000 units at a price of $0.15 per unit for gross proceeds of $900,000. Each unit consisted of one common share and one-half share purchase warrant, with each whole warrant exercisable to purchase one additional common share at a price of $0.20 per share for a period of two years.

11. Share Capital, continued

(c) Equity Financings, continued

The Company paid $32,550 in finders' fees and issued 361,667 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.1002 per warrant using the Black-Scholes option-pricing model (Note 11 (f)).

On August 20, 2010, the Company closed the second tranche of a non-brokered unit private placement by issuing 900,000 units at a price of $0.15 per unit for gross proceeds of $135,000. Each unit consisted of one common share and one-half share purchase warrant, with each whole warrant exercisable to purchase one additional common share at a price of $0.20 per share for a period of two years.

The Company paid $7,830 in finders' fees and issued 87,000 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.07799 per warrant using the Black-Scholes option-pricing model (Note 11 (f)).

The Company raised total gross proceeds of $1,035,000 from both tranches of the private placement.

(d) Stock Options

In February 2010, the Company adopted a rolling stock option plan (the "Plan") that allows the Board of Directors to grant stock options to directors, officers, employees and consultants of the Company up to a maximum of 10% of the number of issued and outstanding common shares at any given time. The term of any stock option under the Plan may not exceed five years. The Board of Directors determines the vesting provisions. Stock options granted to consultants performing investor relations activities will vest over a period of one year, with no more than one-quarter vesting in any three-month period. On an annual basis, the Plan requires approval by the Company's shareholders.

As at October 31, 2010, the Company had 2,275,000 stock options outstanding and exercisable as follows:

Exercise Price	Expiry Date	Balance July 31, 2010	Cancelled or Expired	Balance October 31, 2010
$0.15	May 27, 2015	2,375,000	100,000	2,275,000
		2,375,000	**100,000**	**2,275,000**
Weighted average exercise price		$0.15	$0.15	$0.15
Weighted average contractual life in years		4.83		4.58

11. Share Capital, continued

(e) Share purchase warrants

As at October 31, 2010, the Company had 3,898,667 share purchase warrants outstanding as follows:

Exercise Price	Expiry Date	Balance July 31, 2010	Granted	Balance October 31, 2010
$0.20	August 6, 2012	-	3,361,667	3,361,667
$0.20	August 20, 2012	-	537,000	537,000
		-	**3,898,667**	**3,898,667**
Weighted average exercise price		-	$0.20	$0.20
Weighted average contractual life in years		-		1.77

(f) Fair Value Determination

The fair value of share purchase warrants issued were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	October 31, 2010		October 31, 2009	
	Options	**Warrants**	**Options**	**Warrants**
Risk-free interest rate	N/A	1.25 - 1.34%	N/A	N/A
Expected share price volatility	N/A	102.92 - 103.10%	N/A	N/A
Expected option/warrant life in years	N/A	2.00	N/A	N/A
Expected dividend yield	N/A	0.00%	N/A	N/A

12. Segmented Information

The Company operates in one business segment and its consolidated assets are distributed by geographic location as follows:

	October 31, 2010		July 31, 2010	
	$	%	$	%
Canada	1,003,529	17%	1,393,054	23%
USA	4,928,372	83%	4,642,215	77%
	5,931,901	**100%**	**6,035,269**	**100%**

The Company's mineral properties are located in the USA.

13. Supplemental Cash Flow Information

	For the three months ended, October 31,			
		2010		2009
Cash Items				
Income tax paid	$	-	$	-
Interest paid		-		-
Interest received		2,306		-
Non-Cash Items				
Investing Activities				
Mineral property costs included in accounts payable	$	28,867	$	11,196
Mineral property costs included in due to related parties		7,173		-
Financing Activities				
Shares issued - Private Placement	$	383,750	$	-
Share issue costs		49,714		-
Fair value of agent warrants		43,032		-

14. Commitments

Service Agreement

Under a service agreement, 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 space and general administration services. The agreement may be cancelled at any time by paying the monthly charge for the lesser of 12 months or the remainder of the term. The agreement expires on August 31, 2012. The fee commitment for the next three years is as follows:

14. Commitments

Service Agreement, continued

Year ended July 31,		Commitment
2011 **	$	24,000
2012		96,000
2013		8,000
	$	128,000

** In July and September 2010, the Company made advance payments and included in prepaid expenses $48,000 to cover the six month period from November 1, 2010 to April 30, 2011.

15. Subsequent Events

Subsequent events not otherwise disclosed in the consolidated financial statements are as follows:

(a) Proposed Amalgamation

The Company entered into negotiations for a proposed amalgamation with Fortune River Resource Corp. ("FRX"). The amalgamation is subject to receiving the appropriate approvals from the shareholders and other regulatory authorities. On the effective date, the securities of the Company and FRX that are issued and outstanding immediately before the Amalgamation will be converted into securities of the Amalgamated Company as follows:

(i) the issued and outstanding common shares of the Company will be exchanged for common shares of the Amalgamated Company on the basis of one common share of the Amalgamated Company for every one share of the Company; each of the Company's warrants will be exchanged for a warrant of the Amalgamated Company on the same terms and conditions as the Company's warrants previously issued; and each of the Company's options will be exchanged for an option of the Amalgamated Company on the same terms and conditions as the Company's options previously granted.

15. Subsequent Events, continued

(a) Proposed Amalgamation, continued

(ii) the issued common shares of FRX will be exchanged for common shares of the Amalgamated Company on the basis of one common share of the Amalgamated Company for every 1.1765 shares of FRX (ratio 0.85:1) issued and outstanding; each of FRX's warrants previously issued will be exchanged for a warrant of the Amalgamated Company on the same terms and conditions as FRX's warrants previously issued, adjusted for the exchange ratio the same as the common shares as aforesaid; and each of FRX's options previously issued will be exchanged for an option of the Amalgamated Company adjusted for the same exchange ratio as the common shares as aforesaid, on the adjusted terms and conditions as FRX's options previously granted. The exercise price for all options and warrants issued by the Amalgamated Company remain the same as the exercise price as FRX's original options and warrants.

All unissued shares of each Amalgamating Company will be cancelled and no shares of the Amalgamated Company will be exchanged for those unissued shares.

The Information Circular was sent to the shareholders on November 19, 2010. A special meeting of the shareholders will be held on December 17, 2010.

(b) New Property Acquisitions

(i) Quito Project

On November 17, 2010, the Company signed a non-binding Letter-of-Intent ("LOI") with Yamana Gold Corporation to acquire an interest in its 3,700ha Quito carlin-type gold property, a past-producing open-pit mine. The property is located on the Austin Gold Trend in Nevada, USA. The Company can earn 70% interest in the property by spending US $2,500,000 over 5 years. Within 60 days after the Company completes the earn-in, Yamana can either:

i) elect to participate at 30%,
ii) elect to earn 51% should a deposit of greater than 2 million ounces be discovered by paying the Company three times the Company's exploration expenditures and funding the Company's share of capital requirements (repaid out of 80% of the Company's cash flow), or
iii) elect to reduce to a 2% net smelter return royalty ("NSR") royalty and receive either $500,000 of the Company's shares or $500,000 cash at the Company's option. No other royalties exist at the property.

The Company can elect to terminate the agreement after a firm commitment of $500,000, within one year of signing a formal Earn-in Agreement, has been spent and certain claim fees have been paid.

15. Subsequent Events, continued

(b) New Property Acquisitions, continued

(ii) Colorback Property

On December 16, 2010, the Company signed a Mineral Lease and Agreement with Newmont USA Limited ("Newmont") to acquire an interest in its 1,420ha Colorback carlin-type gold property. The property is located in the Cortez Mining district along the Battle Mountain-Eureka gold trend in Nevada, USA. The Company can earn an interest in the property by spending US $3,000,000 over 6 years and by delivering to Newmont a positive feasibility study on a deposit containing at least 500,000 ounces of gold. Once the Company has completed these requirements, Newmont can either:

i) elect to form a joint venture and contribute $4,000,000 to earn 51% with an option to spend an additional $4,000,000 to earn an additional 19% with further expenditures being spent according to the relative percentage of the venture ownership or
ii) elect to receive $2,000,000 from the Company as payment for the property, subject to a 3% NSR which the Company can buy down to 1% at the rate of $1,000,000 per percentage point.

The Company can elect to terminate the agreement after a firm commitment of $200,000, within the first two years of signing a formal Earn-in Agreement, has been spent and at least $100,000 must be as drill expenditures.

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Management's Discussion and Analysis

For the three months ended October 31, 2010

Dated: December 15, 2010

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A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Bravada Gold Corporation (the "Company" or "BVA") for the three months ended October 31, 2010 and is dated December 31, 2010. This MD&A was prepared to conform to National Instrument 52-102F1 and was approved by the Board of Directors prior to its release. This MD&A should be read in conjunction with the interim consolidated financial statements for the three months ended October 31, 2010 and the audited annual consolidated financial statements for the year ended July 31, 2010 and the accompanying notes.

The Company's consolidated financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and include the accounts of the Company and its wholly owned subsidiary Bravo Alaska Inc.

As at May 4, 2010, the Company was listed on the TSX Venture Exchange ("TSX-V") with its shares on the Tier 2 Board trading under the symbol "BVA."

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts are in Canadian dollars, unless otherwise indicated.

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 is available on the Company's website at www.bravadagold.com and on SEDAR at www.sedar.com

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 the Company's properties. Mr. Kizis graduated from the University of Colorado (M.S. in geology) and Kent State University (B.S. in geology), and he has +35 years of experience in minerals exploration both with major mining companies and junior exploration companies.

C. Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar (1)	Quarter ended October 31, 2010
Rate at end of quarter	1.0202
Average rate for quarter	1.0313
High for quarter	1.0418
Low for quarter	1.0185

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

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's principal business activities include the acquisition, exploration, and development of mineral natural resource properties. It is currently exploring for precious and base metals in Nevada, USA. The Company is in the exploration stage and has not yet determined whether any of its mineral properties contain ore reserves.

Proposed Amalgamation

The Company entered into negotiations for a proposed amalgamation with Fortune River Resource Corp. ("FRX"). The amalgamation is subject to receiving the appropriate approvals from the shareholders and other regulatory authorities. On the effective date, the securities of the Company and FRX that are issued and outstanding immediately before the Amalgamation will be converted into securities of the Amalgamated Company as follows:

(a) the issued and outstanding common shares of the Company will be exchanged for common shares of the Amalgamated Company on the basis of one common share of the Amalgamated Company for every one share of the Company; each of the Company's warrants will be exchanged for a warrant of the Amalgamated Company on the same terms and conditions as the Company's warrants previously issued; and each of the Company's options will be exchanged for an option of the Amalgamated Company on the same terms and conditions as the Company's options previously granted.

(b) the issued and outstanding common shares of FRX will be exchanged for common shares of the Amalgamated Company on the basis of one common share of the Amalgamated Company for every 1.1765 shares of FRX (ratio 0.85:1) issued and outstanding; each FRX warrant previously issued will be exchanged for a warrant of the Amalgamated Company on the same terms and conditions as each FRX warrant previously issued, adjusted for the exchange ratio the same as the common shares as aforesaid; and each FRX option previously issued will be exchanged for an option of the Amalgamated Company adjusted for the same exchange ratio as the common shares as aforesaid, on the adjusted terms and conditions as each FRX option previously granted. The exercise price for all options and warrants issued by the Amalgamated Company remain the same as the exercise price of the original FRX options and warrants.

All unissued shares of each Amalgamating Company will be cancelled and no shares of the Amalgamated Company will be exchanged for those unissued shares.

The Information Circular was sent to the shareholders on November 19, 2010. A special meeting of the shareholders will be held on December 17, 2010.

The benefits to the Company for the amalgamation are:

- consolidation of Nevada mineral property portfolios of the two companies;
- operating efficiencies; and
- obtaining a known resource in the Wind Mountain property.

E. Description of Mineral Properties

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 1,107 claims covering approximately 34 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 1,024 claims covering approximately 32 square miles on September 1, 2010 in order to provide a more efficient claim holding. The properties are near Barrick's multi-million ounce gold deposits at Pipeline, 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, the Granite Mountain property, the Quito property, and the Colorback property from independent third parties.

Details of option agreements and capitalized costs by property are disclosed in the notes to the audited annual consolidated financial statements of the Company for the year ended July 31, 2010.

<u>Quito Project</u>

On November 17, 2010, the Company signed a non-binding Letter-of-Intent ("LOI") with Yamana Gold Corporation to acquire an interest in its 3,700ha Quito carlin-type gold property, a past-producing open-pit mine. The property is located on the poorly defined Austin Gold Trend, which includes the Northumberland gold mine and a number of Carlin-type exploration prospects. The Quito mine was operated by Austin Gold venture, a joint venture between Inspiration Gold and FMC Gold companies, from 1986 to 1989 and was reported to have produced 174,460 ounces of gold (Yamana company reports). Published reports of the original deposit stated an initial reserve of 1,700,000 short tons at an average grade of 6.34g/t gold. There is a small historic resource reportedly remaining on the property; however, the Company has not independently confirmed either the past production or remaining resource, and these historic figures should not be relied upon. Post-mining exploration efforts were directed at discovering additional shallow, open pit resources; however, historic drill holes contain numerous intercepts of relatively high-grade gold (+3 to +10g/t) that are below likely levels of open-pit mining that may be amenable to underground mining. Modern 3D computer modelling programs allow easier identification of structural and stratigraphic controls that can then be targeted for drilling. An existing Plan of Operation will be transferred from Yamana to the Company, which will allow drill testing during 2011.

E. Description of Mineral Properties, continued

Quito Project, continued

The Company can earn 70% interest in the property by spending US $2,500,000 over 5 years. Within 60 days after the Company completes the earn-in, Yamana can either:

1) elect to participate at 30%,
2) elect to earn 51% should a deposit of greater than 2 million ounces be discovered by paying the Company three times the Company's exploration expenditures and funding the Company's share of capital requirements (repaid out of 80% of the Company's cash flow), or
3) elect to reduce to a 2% NSR royalty and receive either $500,000 worth of the Company's shares or $500,000 cash at the Company's option. No other royalties exist at the property.

The Company can elect to terminate the agreement after a firm commitment of $500,000, within one year of signing a formal Earn-in Agreement, has been spent and certain claim fees have been paid.

Colorback Property

On December 16, 2010, the Company entered into a Mineral Lease and Agreement ("Agreement") with Newmont USA Limited ("Newmont"). The Colorback property is located approximately 10km northwest of the large Pipeline gold deposit, in the Cortez Mining district along the Battle Mountain-Eureka gold trend. The property partially surrounds the Granite Mountain property, a small parcel of fee land that the Company has held for several years as part of its strategy to acquire prospective property positions in this prolific gold district.

The Colorback property consists of private fee land and lode claims, a total of 1,420 hectares. Carlin-type gold mineralization is exposed on the property at surface, in trenches, and in numerous drill holes. Mineralization occurs in Upper Plate Paleozoic sediments and Eocene intrusions; however, the Company believes highly productive Lower Plate Paleozoic carbonates provide a more attractive target for a large, high-grade gold deposit. Historic drill holes by several companies have reportedly intersected thin zones of high-grade gold and thicker zones of moderate-grade gold (e.g. VH-1 intersected 0.6m of 20.5g/t Au within a 5.8m interval grading 2.9g/t Au and DCV-4 intersected 12.2m of 2.2g/t Au) and several reports reference a small historic resource (not 43-101 compliant) on the property; however, the Company has not independently confirmed the historic drill results and these historic figures should not be relied upon.

The Company can earn an interest in the property by spending US $3,000,000 over 6 years and by delivering to Newmont a positive feasibility study on a deposit containing at least 500,000 ounces of gold. Once the Company has completed these requirements, Newmont can either:

E. Description of Mineral Properties, continued

Colorback Property, continued

i) elect to form a joint venture and contribute $4,000,000 to earn 51% with an option to spend an additional $4,000,000 to earn an additional 19% with further expenditures being spent according to the relative percentage of the venture ownership or,
ii) elect to receive $2,000,000 from the Company as payment for the property, subject to a 3% net smelter return royalty ("NSR") which the Company can buy down to 1% at the rate of $1,000,000 per percentage point.

The Company can elect to terminate the agreement after a firm commitment of $200,000, within the first two years of signing a formal Earn-in Agreement, has been spent and at least $100,000 must be as drill expenditures.

Mountain Boy Parcel (Signal and Temple 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 94 claims in Mountain Boy Parcel, which consists of two separate prospects: the Signal project (40 claims) and the Temple project (54 claims).

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 1,322 meters.

Three to fifty-two meter 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 near-surface gold mineralization identified to date may be leakage from a potentially larger and richer deposit beginning at a depth of about 460 meters.

BVA recently completed a deep drilling program at its Signal property (1,270m in two core holes) designed to search for deeper, high-grade mineralization. The Company's drilling successfully intersected the projected host rocks with strong alteration and with anomalous, but not economic, concentrations of gold and pathfinder elements. Computer 3D modeling shows targets remain and additional drilling is planned.

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 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.

Assays of surface grab samples from faults in unfavorable dolomite range from background to 3.39g/t Au. Alteration and pathfinder geochemistry are typical of Carlin-style gold deposits. The target is the buried Roberts Mountains formation beneath surface-mineralized faults.

This season the Company conducted 591 meters of core drilling in one hole at the project, designed to search for deeper, high-grade mineralization. Drilling successfully intersected the projected host rocks with strong alteration and with anomalous, but not economic, concentrations of gold and pathfinder elements. Computer 3D modeling shows targets remain and additional drilling is planned.

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, which they subsequently failed to exercise. The project consists of 70 lode mining claims, approximately 560 ha.

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.

E. Description of Mineral Properties, continued

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.

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 down-hole problems; 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 the 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.

E. Description of Mineral Properties, continued

South Lone Mountain Claims ("SoLM")

SoLM is a buried 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.

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 49 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). Effective January 12, 2009, the Company amended the option agreement to provide for the following payments:

- US$4,000 on January 12, 2009 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 $1,500,000 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. signed 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.

E. Description of Mineral Properties, continued

NSR property, continued

The Company can earn 100% interest by spending US $2,000,000 over a maximum of six years. Previous to the Plan of Arrangement, the agreement stated that BVG was to issue to Agnico 300,000 BVG common shares. These shares were issued by BVG. The agreement includes the transfer of ownership of a logistical base in nearby Crescent Valley, which includes a work shop and trailer for personnel. The base will be used for this and other 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.

Much historic data has been obtained for the NSR project and adjacent properties, and that data is being compiled.

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 October 31, 2010. The total of these fees for the three months ended October 31, 2010 was US$1,105.

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. 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. The Company 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 and bonded to drill.

E. Description of Mineral Properties, continued

SF Property, continued

Several large Carlin deposits show evidence of overprinting by younger gold systems, an indication that their plumbing systems are deeply rooted. Both Carlin-type and low-sulfidation-type alteration are present, with narrow zones of Carlin-style geochemistry intersected in a drill hole directly east of the property of a another company. The target is favorable Devonian-age Wenban limestone and Horse Canyon formation host rocks adjacent to a major fault projected beneath thin gravel cover.

Other Battle Mountain Properties

Targeting and permitting of four drill sites have been completed at **Gabel Canyon,** where alteration and geochemistry of Lower Plate carbonates is suggestive of Carlin-style gold mineralization. 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 meters 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 **Three Bar** property for a total of 445 meters, where historic drill-hole data indicate thick zones of anomalous gold values in the range of 10-150 ppb. 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.

F. Mineral Properties Expenditures

The table below provides a summary of acquisition and exploration costs incurred on the Company's mineral properties as at October 31, 2010:

	Balance July 31, 2010 $	**Additions (Recoveries) Q1 $**	**Balance October 31, 2010 $**
NSR	156,638	13,124	169,762
Battle Mountain	182,895	-	182,895
Mountain Boy - Signal	1,328,930	68,554	1,397,484
Mountain Boy - Temple	113,322	650	113,972
SF Claims	330,627	1,693	332,320
Gabel Canyon	145,341	868	146,209
North Lone Mountain	145,683	941	146,624
Pete Hanson	121,225	218,033	339,258
Granite Mountain	130,829	4,651	135,480
Shoshone	234,205	-	234,205
Half-Ounce	212,464	1,013	213,477
Three Bar	122,581	941	123,522
South Gold Bar	136,997	194	137,191
South Lone Mountain	1,133,130	3,753	1,136,883
Total	**4,494,867**	**314,415**	**4,809,282**

G. Results of Operations

The following table summarizes major variances for the three months ended October, 31, 2010:

	Three Months Ended, Oct 31		Variance	
	2010	2009	Increase/(Decrease)	
	$	$	$	%
Operating Expenses				
Administration	24,240	-	24,240	N/A
Consulting	67,102	4,705	62,397	1326%
General exploration	1,130	17,569	(16,439)	(94%)
Investor relations	37,472	-	37,472	N/A
Office and general	19,943	6,436	13,507	210%
Professional fees	39,294	2,806	36,488	1300%
Regulatory fees and taxes	6,472	79	6,393	8092%
Shareholders' communications	4,838	-	4,838	N/A
Transfer agent	1,925	-	1,925	N/A
Travel and promotion	24,155	-	24,155	N/A
Other Items				
Interest income	(2,306)	-	(2,306)	N/A
Foreign exchange loss (gain)	1,655	4,225	(2,570)	(61%)

During the three months ended October 31, 2010, the Company reported a net loss of $225,920 (October 31, 2009: $35,820). Given that the Company was incorporated on September 4, 2009 and the Plan of Arrangement between Bravo Gold Corp. and the Company was completed on February 9, 2010, the majority of the expenses were not incurred by the subsidiary in previous years but instead incurred by the former parent company.

General exploration decreased significantly. During the three months ended October 31, 2009, the Company committed resources to research the NSR property.

H. Quarterly Results

Operating expenses increased during the three months ended October 31, 2010 compared to the previous quarter. Investor relations increased due to the private placement that was closed during the quarter.

Management expects that in the following quarters the operational expenses will continue to increase due to increasing professional fees related to the additional work with regard to the required transition to international accounting standards.

H. Quarterly Results, continued

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

	Oct 31 2010 $	July 31 2010 $	Apr 30 2010 $	Jan 31 2010 $	Oct 31 2009 $	Jul 31 2009 $	Apr 30 2009 $	Jan 31 2009 $	Oct 31 2008 $
Operating expenses	226,571	199,012	182,149	56,327	31,594	12,846	15,847	21,059	8,767
Interest earned	(2,306)	(1,181)	(775)	-	-	-	-	(131)	(1,089)
Foreign exchange gain (loss)	1,655	(3,996)	15,327	2,516	4,225	12,465	5,140	(4,171)	(91,952)
Loss before the following items	225,920	193,835	196,701	58,843	35,819	25,311	20,987	16,757	(84,274)
Stock-based compensation	-	242,403	-	-	-	-	-	-	-
Mineral properties recoveries	-	-	-	-	-	221	(15,984)	-	-
Write-off of mineral properties	-	58,707	-	-	-	34,217	-	-	-
Net Loss (gain) for the quarter	225,920	494,945	196,701	58,843	35,819	59,749	5,003	16,757	(84,274)
Loss per share-basic and diluted	$0.01	$0.02	$0.02	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

I. First Quarter

The Company announced a private placement during the quarter ended July 31, 2010 and closed in two tranches in August 2010.

The Company had drilling programs on two of its properties, Signal and Pete Hanson. Assay results are pending.

The Company entered negotiations with the owners of the both the Quito property and the Colorback property during the quarter and subsequent to quarter-end, the Company signed a Letter-of-Intent with regard to the Quito property and a Mineral Lease and Agreement with regard to the Colorback property.

J. Financial Conditions, Liquidity and Capital Resources

The Company does not generate significant revenues from operations and has limited financial resources. The Company finances its operations by raising capital in the equity markets. For the foreseeable future, the Company will need to rely on the issuance of such securities to provide working capital and to finance its mineral property acquisition and exploration activities.

J. Financial Conditions, Liquidity and Capital Resources, continued

The Company has only participated in one private placement in August 2010 so as such does not have significant history in obtaining financing through the issuance of its securities in the equity markets and there can be no assurance that the Company will be able to obtain adequate financing in the future in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with a possible loss of some properties and reduction or termination of operations.

The Company has a net working capital of $842,914 (current assets of $989,205 less current liabilities of $146,291) as at October 31, 2010 compared to a net working capital of $1,111,340 as at July 31, 2010 (current assets of $1,388,488 less current liabilities of $277,148).

The cash balance of $880,934 will be sufficient to meet the cash requirements for the Company's administrative overhead, maintaining its mineral property interests, and continuing with its exploration programs in the coming months.

i) Equity financings

During the three months ended October 31, 2010, the Company closed a private placement consisting of two tranches. On August 6, 2010, the Company completed the first tranche of the private placement of 6,000,000 units for gross proceeds of $900,000. Each unit was priced at $0.15 and consisted of one common share and one-half share purchase warrant, with each full warrant exercisable to purchase one additional common share at an exercise price of $0.20 per share for a period of two years.

The Company paid finders' fees of $32,550 and issued 361,667 warrants to finders in relation to this private placement. Each warrant was priced at $0.20 and has a two year exercise period. The warrants were valued at a fair value of $0.1002 per warrant using the Black-Scholes pricing model (Note K (v)).

On August 20, 2010, the Company completed the second tranche of the private placement of 900,000 units for gross proceeds of $135,000. Each unit was priced at $0.15 and consisted of one common share and one-half share purchase warrant, with each full warrant exercisable to purchase one additional common share at an exercise price of $0.20 per share for a period of two years.

The Company paid finders' fees of $7,830 and issued 87,000 warrants to finders in relation to this private placement. Each warrant was priced at $0.20 and has a two year exercise period. The warrants were valued at a fair value of $0.07799 per warrant using the Black-Scholes pricing model (Note K (v)).

J. Financial Conditions, Liquidity and Capital Resources, continued

i) Equity financings, continued

The proceeds from the private placement will be utilized to fund exploration costs on various projects in Nevada's Battle Mountain Eureka Trend where permits have been issued on several drill-ready projects and where drilling is currently underway at the Company's Signal project and for working capital.

ii) Amounts Receivable

As at October 31, 2010, the Company had a total of $23,898 receivable from Canada Revenue Agency ("CRA"). The amount receivable has not yet been received by the Company.

iii) Commitments

Mineral Properties

As at December 15, 2010, the Company at its discretion has the following mineral property option agreement payments as set out below:

	Total US$	Less than 1 year US$	1-3 years US$	4-5 years US$
NSR Exploration Expenditures	2,000,000	-	-	2,000,000
SF Option Expenditures	100,000	100,000	-	-
Half-Ounce Option Expenditures **	206,000	8,000	98,000	100,000
Signal Option Expenditures	160,000	20,000	80,000	60,000
Temple Option Expenditures	160,000	20,000	80,000	60,000
Granite Mountain Option Expenditures	91,159	13,403	44,362	33,394
Total Mineral Property Payments	**717,159**	**161,403**	**302,362**	**253,394**

** The agreement with NuLegacy will facilitate the payments for the Half-Ounce property.

Service Agreement

Under a service agreement, 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 space and general administration services. The agreement took effect May 1, 2010. The agreement may be cancelled at any time by paying the monthly charge for the lesser of 12 months or the reminder of the term. The agreement expires on August 31, 2012.

K. Outstanding Equity and Convertible Securities

i) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

ii) Issued and outstanding shares and contributed surplus

The authorized share capital of the Company is an unlimited number of common shares. The issued share capital as at December 15, 2010 is as follows:

Common Shares	Number of Shares		Amount		Contributed Surplus		Deficit		Total Shareholder's Equity
Balance as at July 31, 2009	**1**	**$**	**1**	**$**	**-**	**$**	**(257,025)**	**$**	**(257,024)**
Shares issued - private placement	1,500,000		1,500,000		-		-		1,500,000
Shares issued - as per 'Plan of Arrangement'	24,119,217		-		4,388,518		-		4,388,518
Value assigned to stock options	-		-		261,685		-		261,685
Net loss for the year	-		-		-		(786,308)		(786,308)
Balance as at July 31, 2010	**25,619,218**	**$**	**1,500,001**	**$**	**4,650,203**	**$**	**(1,043,333)**	**$**	**5,106,871**
Shares issued - private placement	6,900,000		1,035,000		-		-		1,035,000
Share issue costs - cash	-		(130,341)		-		-		(130,341)
Share issue costs - non-cash	-		(43,032)		-		-		(43,032)
Value assigned to agent warrants	-		-		43,032		-		43,032
Net loss for the period	-		-		-		(225,920)		(225,920)
Balance as at October 31, 2010	**32,519,218**	**$**	**2,361,628**	**$**	**4,693,235**	**$**	**(1,269,253)**	**$**	**5,785,610**
Balance as at December 15, 2010	**32,519,218**	**$**	**2,361,628**	**$**	**4,693,235**	**$**	**(1,269,253)**	**$**	**5,785,610**

K. Outstanding Equity and Convertible Securities, continued

iii) Stock Options

The Company had 2,275,000 stock options outstanding and exercisable as at October 31, 2010 and December 31, 2010 as follows:

Exercise Price	Expiry Date	Balance October 31, 2010	Balance December 15, 2010
$0.15	May 27, 2015	2,275,000	2,275,000
		2,275,000	**2,275,000**
Weighted average exercise price		$0.15	$0.15
Weighted average contractual life in years		4.58	4.45

In February 2010, the Company adopted a rolling stock option plan (the "Plan") that allows the Board of Directors to grant stock options to directors, officers, employees and consultants of the Company up to a maximum 10% of the number of issued and outstanding common shares at any given time. The term of any stock option under the Plan may not exceed five years. The Board of Directors determines the vesting provisions. Stock options granted to consultants performing investor relations activities will vest over a period of one year, with no more than one quarter vesting in any three month period. On an annual basis, the Plan requires approval by the Company's shareholders.

iv) Share Purchase Warrants

The Company had 3,898,667 share purchase warrants outstanding as at October 31, 2010 and December 15, 2010 as follows:

Exercise Price	Expiry Date	Balance October 31, 2010	Balance December 15, 2010
$0.20	August 6, 2012	3,361,667	3,361,667
$0.20	August 20, 2012	537,000	537,000
		3,898,667	**3,898,667**
Weighted average exercise price		$0.20	$0.20
Weighted average contractual life in years		1.77	1.65

K. Outstanding Equity and Convertible Securities, continued

v) Fair Value Determination

The Company applies the fair value method of accounting for stock-based awards, share purchase warrants, and agents' warrants and, accordingly, the fair value of calculated is expensed in the statement of operations and deficit or capitalized to mineral properties as appropriate.

The fair value of agents' warrants issued during the three months ended October 31, 2010 and up to the date of this analysis were estimated at the date of grant based on the Black-Scholes option pricing model with the following range of assumptions:

	October 31, 2010		October 31, 2009	
	Options	Warrants	Options	Warrants
Risk-free interest rate	N/A	1.25 - 1.34%	N/A	N/A
Expected share price volatility	N/A	102.92 - 103.10%	N/A	N/A
Expected option/warrant life in years	N/A	2.00	N/A	N/A
Expected dividend yield	N/A	0.00%	N/A	N/A

Option pricing models require the input of highly subjective assumptions. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models may not necessarily provide a single reliable measure of the fair value of the agents' warrants.

L. Related Party Transactions

In addition to the related party transactions disclosed elsewhere in the consolidated financial statements, the Company entered into the following related party transactions during the three months ended October 31, 2010:

(a) Under the 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:

- $24,240 for office space and general administration services;
- $18,985 for professional services;
- $3,330 for consulting services;
- $24,760 for investor relations services;
- $1,844 in respect of the mark-up on out-of-pocket expenses, which were included in office and general expenses.

L. Related Party Transactions, continued

As at October 31, 2010, amounts payable under the agreement were $20,587 and prepaid rent of $48,000 is included in prepaid expenses. As at July 31, 2010, amounts payable were $19,478 and the Company advanced and included in prepaid expenses an amount of $56,000.

(b) Fees in the amount of $13,685 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 October 31, 2010 was $2,500 (July 31, 2010: $9,173).

(c) Fees in the amount of $40,500 were charged by a director and an officer of the Company for performing the role of Chairman for the Company. Amounts payable as at October 31, 2010 was $44,415.

(d) Administration fees relating to office administration of $4,000 were charged by a private company controlled by a director and an officer of the Company (resigned as an officer effective September 30, 2010). Amounts payable as at October 31, 2010 was $2,240.

(e) As at October 31, 2010, fees relating to professional services of $7,500 were charged by a private company controlled by an officer of the Company. Amounts payable as at October 31, 2010 was $2,800 (July 31, 2010: $4,113).

(f) Fees charged by a director and an officer of the Company as at October 31, 2010 for management, geological and mining consulting services were US $75,000. The charges are expensed or capitalized to mineral properties as appropriate. As at October, 31, 2010, the Company advanced and offset against due to related parties $3,284 (US$3,219) (July 31, 2010: Advanced $1,258 (US $1,223)) in order to meet operational expenses.

(g) Amounts payable as at October 31, 2010 was $Nil (July 31, 2010: $64,568) for fees charged by a company controlled by a director and an officer of BA's former parent company BVG for investor relations.

The total amount due to related parties as at October 31, 2010 was $69,258 (July 31, 2010: $96,074). Amounts due to related parties are unsecured, non-interest bearing, and have no formal terms of repayment. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related party.

M. Financial Instruments

The Company's financial instruments include cash, investments, reclamation bonds, accounts payable and accrued liabilities, and amounts due to related parties which are classified into the following categories:

M. Financial Instruments, continued

Financial Instrument	Category	Carrying Value
Cash	Held-for-trading	Fair Value
Investment	Available-for-sale	Fair Value
Reclamation bonds	Loans and receivables	Fair Value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized Cost
Due to related parties	Other financial liabilities	Amortized Cost

The carrying values of the financial instruments held by the Company are a reasonable estimate of the fair values due to the relatively short time period to maturity. Receivables consist of amounts due from the government and are excluded as a financial instrument. Reclamation bonds are recorded at their fair value.

The fair value of amounts due to related parties cannot be reliably measured since there is no quoted price for such instruments.

The fair value of investments is based on their expected market price in an upcoming initial public offering for these investments (Level 1). Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the may not necessarily provide a single reliable measure of the fair value of the Company's investments.

N. Subsequent Events and Outlook

Other than the proposed merger mentioned in Note D, there are no other events subsequent to the date of this document.

The Company is confident that its existing group of properties has potential warranting continued exploration. Activities over the ensuing year will focus on these assets. The Company expects to continue its strategy of collaborating with experienced mining companies to develop its properties and to advance them to production.

O. Off Balance Sheet Arrangements

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

P. 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 audited annual consolidated financial statements for the year ended July 31, 2010.

Q. 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.

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.

The Canadian Securities Administrators ("CSA") have published National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") which applies to interim financial periods ending on or after December 15, 2008. Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures ("DC&P") and Internal Control Over Financial Reporting ("ICFR"). The Company is required to file Form 52-109FV1 for the annual reporting.

R. 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.

R. Risks and Uncertainties, continued

Exploration Stage Company

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.

No Operating History and Availability of Financial Resources

The Company does not have an operating history and does not generate significant revenues and is unlikely to do so in the foreseeable future. Hence, 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 operating costs, the feasibility of continuing operations would be evaluated and, if warranted, discontinued.

Competition

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. 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.

R. Risks and Uncertainties, continued

Government Regulations and Environmental Risks and Hazards

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. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

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, hazards that 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 existing environmental hazards related to any of its current or former property interests that may result in material liability to the Company.

Title to Property

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 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.

Dependence on Key Personnel

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.

S. Changes in Accounting Policies, Including Initial Adoption

Future Accounting Changes

(i) Business Combinations

In January 2009, the Canadian Institute of Chartered Accountants ("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 or after 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 financial statements when applicable.

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

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards effective for fiscal years beginning on or after January 1, 2011 with early adoption permitted. 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 has established an implementation team to develop and implement the changeover plan to IFRS on a timely basis.

S. Changes in Accounting Policies, Including Initial Adoption, continued

Future Accounting Changes, continued

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

As at December 15, 2010, the Company has identified the differences between the current GAAP that will be affected by the changeover and the corresponding IFRSs and is currently considering the policy choices allowed under IFRS. Management submitted a document outlining the differences between current GAAP and IFRS, appropriate policy choices and the impact on the Company's financial statements and business processes to the Audit Committee for discussion. The Audit Committee accepted the proposed changes in principle.

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 party 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 an 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. Possible areas of major impact that management expects IFRS will have on the Company's financial position are summarized in the following table:

S. Changes in Accounting Policies, Including Initial Adoption, continued

Future Accounting Changes, continued

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

Key areas	Canadian GAAP	IFRS	Preliminary analysis
Mineral properties and deferred exploration costs	Exploration, evaluation and development costs can be either capitalized or expensed when incurred.	IFRS has only limited guidance on this topic and currently allows the Company to carry its current treatment.	Recommend to expense the exploration evaluation and development cost.
Stock-based compensation	Stock-based compensation is determined using the Black Scholes option pricing model. Allows the option to use straight-line method or accelerated method to account for graded vesting features.	Stock-based compensation is determined using the Black Scholes option pricing model. For graded-vesting features, each installment is to be treated as a separate share option grant because each installment has a different vesting period, and hence the fair value of each installment will differ.	The recognition of the value of stock-based compensation will be higher at the early vesting stage and will decrease as options are near the final vesting stage.

T. 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.

U. Proposed Transactions

Other than normal course review of monthly submittals and the proposed amalgamation (Note D), there are no other 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. 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.