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Condensed Consolidated Interim Financial Statements
Six Months Ended January 31, 2012
Expressed in Canadian Dollars
(Prepared by Management)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the six months ended January 31, 2012 and comparatives for the six months ended January 31, 2011 were prepared by management and have not been reviewed or audited by the Company's auditors.

Bravada Gold Corporation
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited)

	Note		Three Months Ended January 31, 2012		Three Months Ended January 31, 2011		Six Months Ended January 31, 2012		Six Months Ended January 31, 2011
					(Note 11)				(Note 11)
Operating Expenses									
Administration	9	$	24,000	$	27,585	$	48,000	$	51,825
Consulting	9		44,294		50,159		91,912		117,261
Exploration and evaluation	7 (s)		137,622		79,560		499,027		375,803
Investor relations	9		52,952		36,116		87,440		73,587
Office and general	9		28,799		25,663		53,918		45,606
Professional fees	9		62,801		91,725		89,690		131,019
Regulatory fees and taxes			4,551		(224)		6,213		6,247
Share-based payments	10(e)		920		292,603		920		292,603
Shareholders' communications			3,007		25,564		5,356		30,402
Transfer agent			11,243		53,591		12,681		55,516
Travel and promotion			3,761		6,795		14,853		30,951
Total Operating Expenses			**373,950**		**689,137**		**910,010**		**1,210,820**
Other Items									
Foreign exchange (gain) loss			980		7,104		(5,493)		8,760
Interest and other income			(954)		(1,398)		(2,356)		(3,704)
Modification of share purchase warrants	10(e)		35,880		-		35,880		-
Write-off of mineral properties	7		(17,440)		-		6,685		-
Total Other Items			**18,466**		**5,706**		**34,716**		**5,056**
Net Loss for the Period			**392,416**		**694,843**		**944,726**		**1,215,876**
Other Comprehensive Loss									
Unrealized gain on fair value of marketable securities			(2,000)		(1,735)		(1,500)		(1,735)
Net Loss and Comprehensive Loss for the Period		**$**	**390,416**	**$**	**693,108**	**$**	**943,226**	**$**	**1,214,141**
Loss per share - basic and diluted		$	0.00	$	0.02	$	0.01	$	0.03
Weighted average number of common shares outstanding			**112,112,108**		**41,125,596**		**103,788,195**		**36,528,929**

See notes to the condensed consolidated interim financial statements

Bravada Gold Corporation
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

As at	Note	January 31, 2012	July 31, 2011
Current Assets			
Cash		$ 338,198	$ 692,672
Receivables		27,640	29,107
Marketable securities	6	11,500	10,000
Prepaid expenses		16,939	20,481
		394,277	**752,260**
Non-Current Assets			
Mineral properties	7	10,003,501	9,780,441
Reclamation bonds	8	163,280	204,866
		$ 10,561,058	**$ 10,737,567**
Current Liabilities			
Accounts payable and accrued liabilities		$ 67,526	$ 262,781
Due to related parties	9	21,710	8,035
		89,236	**270,816**
Shareholders' Equity			
Share capital	10	12,120,126	11,215,886
Contributed surplus		6,235,443	6,212,312
Accumulated other comprehensive loss		(1,000)	(2,500)
Deficit		(7,882,747)	(6,958,947)
		10,471,822	**10,466,751**
		$ 10,561,058	**$ 10,737,567**

Approved on behalf of the Board

"Joseph A. Kizis"	*"G. Ross McDonald"*
Joseph A. Kizis	G. Ross McDonald
Director	Director

Bravada Gold Corporation
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Changes in Equity
Six Months Ended January 31, 2012 and 2011
(Unaudited)

Common Shares	Share Capital Number of Shares	Share Capital Amount	Share Subscriptions Received	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance as at August 1, 2010	**25,619,218**	**$ 1,500,001**	**$ 651,250**	**$ 4,650,203**	**$ -**	**$ (3,644,057)**	**$ 3,157,397**
Shares issued - private placement	6,900,000	1,035,000	(651,250)	-	-	-	383,750
Shares issued - as per 'Amalgamation Agreement'	32,951,114	6,260,712	-	-	-	-	6,260,712
Shares issued - options exercised	40,000	10,407	-	(4,407)	-	-	6,000
Share issue costs	-	(190,282)	-	59,941	-	-	(130,341)
Fair value of options - per 'Amalgamation Agreement'	-	-	-	287,679	-	-	287,679
Fair value of warrants - per 'Amalgamation Agreement'	-	-	-	671,560	-	-	671,560
Fair value of options and warrants expired	-	-	-	(29,468)	-	29,468	-
Unrealized gain on marketable securities	-	-	-	-	1,735	-	1,735
Net loss for the period	-	-	-	-	-	(1,215,876)	(1,215,876)
Balance as at January 31, 2011 (Note 11)	**65,510,332**	**$ 8,615,838**	**$ -**	**$ 5,635,508**	**$ 1,735**	**$ (4,830,465)**	**$ 9,422,616**
Balance as at July 31, 2011	**95,464,282**	**$ 11,215,886**	**$ -**	**$ 6,212,312**	**$ (2,500)**	**$ (6,958,947)**	**$ 10,466,751**
Shares issued - private placement	18,800,000	940,000	-	-	-	-	940,000
Share issue costs - cash	-	(35,760)	-	7,257	-	-	(28,503)
Fair value of warrants modified	-	-	-	35,880	-	-	35,880
Fair value of options and warrants expired	-	-	-	(20,926)	-	20,926	-
Share-based payments	-	-	-	920	-	-	920
Unrealized gain on marketable securities	-	-	-	-	1,500	-	1,500
Net loss for the period	-	-	-	-	-	(944,726)	(944,726)
Balance as at January 31, 2012	**114,264,282**	**$ 12,120,126**	**$ -**	**$ 6,235,443**	**$ (1,000)**	**$ (7,882,747)**	**$ 10,471,822**

Bravada Gold Corporation
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
Six Months Ended January 31,
(Unaudited)

	2012	2011
		(Note 11)
Operating Activities		
Net loss for the period	**$ (944,726)**	**$ (1,215,876)**
Items not involving cash:		
Unrealized foreign exchange loss	2,511	1,174
Share-based payments	920	292,603
Modification of share purchase warrants	35,880	-
Write-off of mineral properties	6,885	-
	(898,530)	**(922,099)**
Change in non-cash working capital items:		
Receivables	1,467	(33,864)
Prepaid expenses	3,542	16,830
Accounts payable and accrued liabilities	(195,255)	(125,734)
Due to related parties	13,675	(99,022)
	(176,571)	**(241,790)**
Cash Used in Operating Activities	**(1,075,101)**	**(1,163,889)**
Investing Activities		
Expenditures on mineral properties	(229,945)	(132,540)
Reclamation bonds refunded	41,586	453
Cash Used in Investing Activities	**(188,359)**	**(132,087)**
Financing Activities		
Shares issued for cash, net of issuance costs	911,497	253,409
Stock options exercised	-	6,000
Cash acquired on Amalgamation	-	23,923
Cash Provided by Financing Activities	**911,497**	**283,332**
Foreign Exchange Effect on Cash	**(2,511)**	**-**
Increase (Decrease) in Cash During the Period	**(354,474)**	**(1,012,644)**
Cash, Beginning of Period	**692,672**	**1,280,975**
Cash, End of Period	**$ 338,198**	**$ 268,331**

See notes to the condensed consolidated interim financial statements

1. Nature of Operations and Going Concern

Bravada Gold Corporation (the "Company" or "BVA") is an exploration stage company incorporated under the laws of British Columbia on September 4, 2009. The Company's shares are listed on the TSX Venture Exchange. The Company and its subsidiaries are engaged in the acquisition and exploration of mineral properties and do not have any mineral properties in production. The Company's registered office is 950 - 1199 West Hastings Street, Vancouver, Canada, V6E 4E6.

During 2009, as part of an agreement entered into with Bravo Gold Corp. ("BVG"), BVG transferred its shares held in its wholly-owned subsidiary, Bravo Alaska Inc. ("BA"), to the Company. As at January 31, 2012, BVG holds 11,147,687 (July 31, 2011 - 11,147,687) or 9.76% (July 31, 2011 – 11.68%) of the outstanding common shares of the Company.

On January 7, 2011, the Company and Fortune River Resource Corp. ("FRX") entered into an amalgamation agreement ("Amalgamation") and formed a new entity under the same name, Bravada Gold Corporation (Note 3).

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 their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2012, the Company had working capital of $305,041 (July 31, 2011 - $481,444). The Company does not hold any revenue generating properties and has incurred a loss of $944,726 for the six months ended January 31, 2012 (January 31, 2011 - $1,215,876). The Company has an accumulated deficit of $7,882,747 as at January 31, 2012 (July 31, 2011 - $6,958,947).

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 condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The Company previously prepared its condensed consolidated interim financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in its condensed consolidated interim financial statements for the three months ended October 31, 2011. All references to the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting ("IAS 34") and IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), and include the accounts of the Company and its wholly-owned integrated subsidiaries, Bravo Alaska Inc., incorporated in Alaska, USA and Rio Fortuna Exploration (U.S.), Inc., incorporated in Nevada, USA. All intercompany accounts and transactions have been eliminated upon consolidation.

These condensed consolidated interim financial statements do not include all the information and notes required by IFRS for complete consolidated financial statements for year-end reporting purposes. The accounting principles applied in the preparation of these condensed consolidated interim financial statements included herein have been applied consistently for each of the periods presented and are based on IFRS issued and outstanding as of March 21, 2012, the date the Board of Directors approved the condensed consolidated interim financial statements. Any subsequent changes to IFRS that are reflected in the Company's consolidated financial statements for the year ending July 31, 2012 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

Note 11 includes information on the provisions of IFRS 1, the exemptions that the Company elected to apply, and reconciliations of equity, comprehensive loss and cash flows for comparative periods. The condensed consolidated interim financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended July 31, 2011.

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

(b) Mineral Properties

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries, until such time as these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related capitalized costs will be tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to the consolidated statement of comprehensive loss in that period.

2. Summary of Significant Accounting Policies, continued

(b) Mineral Properties, continued

All expenditures related to the exploration and development of mineral properties are expensed to the consolidated statement of comprehensive loss in the period in which they are incurred.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, option payments are capitalized as part of acquisition costs. If recoveries are received and exceed the capitalized expenditures, the excess is reflected in the consolidated statement of comprehensive loss.

All capitalized mineral property acquisition costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

(c) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held in US dollars by US government agencies.

(d) Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at each reporting date;
(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rate in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

(e) Unit Offerings and Non-monetary Considerations

The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. Proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value at the time the units are priced and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds.

2. Summary of Significant Accounting Policies, continued

(e) Unit Offerings and Non-monetary Considerations, continued

Shares issued for non-monetary consideration are recorded at an amount based on the quoted market value of the Company's shares on the date of share issuance. Shares to be issued, which are contingent upon future events or actions, are recorded by the Company when it is reasonably determinable that the shares will be issued.

(f) Share-Based Payments

Share-based payments for employees are measured at fair value of the instruments issued and amortized over the vesting period. Share-based payments for non-employees are measured at either the fair value of the goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded on the date the goods or services are received. The fair value of the options is charged to profit and loss using the graded vesting method, with the offset credit to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related fair value calculated is transferred from contributed surplus to share capital. Upon expiry, related fair value calculated is transferred from contributed surplus to deficit.

(g) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. A valuation allowance is provided against deferred tax assets when it is more likely than not that the tax asset will not be utilized.

(h) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the periods presented and, accordingly, basic and diluted loss per share are the same.

2. Summary of Significant Accounting Policies, continued

(i) Financial Instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through profit or loss. Cash is included in this category of financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Loans and receivables are comprised of accounts receivable.

Impairment of financial assets

At each reporting date the Company assess whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities in the following categories: other financial liabilities and derivative financial liabilities.

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date.

Financial liabilities include accounts payable and accrued liabilities and due to related parties. The Company has no derivative financial liabilities.

2. Summary of Significant Accounting Policies, continued

(j) Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates appear throughout the financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other relevant factors that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

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

- restoration, rehabilitation and environmental provisions;
- accrued liabilities;
- determination of the valuation allowance for deferred income tax assets; and
- the assumptions used in the calculation of the fair value assigned to share-based payments.

Critical Accounting Judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

- the determination of the categories in which financial assets and financial liabilities are classified;
- the determination of restoration, rehabilitation and environmental obligations;
- the impairment and recoverability of capitalized mineral property acquisition costs; and
- the rate and timing of depreciation.

(k) Revenue Recognition

Interest income earned is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.

2. Summary of Significant Accounting Policies, continued

(l) Restoration, Rehabilitation and Environmental Obligations

The Company recognizes an estimate of the liability associated with statutory, contractual, constructive, or legal obligations associated with site closure and property retirement costs in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The estimated fair value or present value of future cash flows is capitalized to the related mining acquisition assets with a corresponding increase in the rehabilitation provision in the period incurred. The capitalized amount will be depreciated on a unit-of-production basis over the estimated life of the ore reserve.

The amount of the provision will be increased each reporting period due to the passage of time and the amount of accretion is charged to profit and loss. The provision can also increase or decrease due to changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of future rehabilitation expenditures. Any changes are recorded directly to the related mining assets with a corresponding change to the rehabilitation provision.

Actual rehabilitation expenditures incurred are charged against the rehabilitation provision to the extent of the liability recorded. At present, the Company has determined that it has no material obligations of this nature to record in the financial statements.

(m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. Amalgamation with Fortune River Resource Corp.

On January 7, 2011, the Company and FRX amalgamated and formed a new entity under the same name, Bravada Gold Corporation. The securities of the two companies that were issued and outstanding immediately before the Amalgamation were converted into securities of the Company as follows:

(a) the common shares of FRX were exchanged for common shares of the Company on the basis of one common share of the Company for every 1.1765 common share of FRX (ratio 0.85:1). Stock options and share purchase warrants were exchanged at the same ratio. The exercise price and all other terms and conditions for all options and warrants issued by the Company remained the same as the original FRX options and warrants.

3. Amalgamation with Fortune River Resource Corp., continued

(b) the issued and outstanding common shares held by shareholders before the Amalgamation were exchanged for common shares of the Company on the basis of one common share of the Company for every one share previously held. Stock options and share purchase warrants were exchanged at the same ratio. All terms and conditions of the stock options and share purchase warrants remain unchanged.

The Amalgamation resulted in the Company issuing common shares, stock options, and share purchase warrants to FRX shareholders, option holders, and warrant holders as follows:

	FRX Outstanding Pre-Amalgamation	**Issued by BVA**
Common Shares	38,766,012	32,951,114
Stock Options	3,690,500	3,136,925
Share Purchase Warrants	6,556,876	5,573,345

The Amalgamation has been accounted for using the acquisition method, with BVA as the acquirer, whereby all the FRX assets acquired and liabilities assumed were recorded at fair value. The purchase price allocation is summarized as follows:

Purchase Price Consideration		
Common shares issued	$	6,260,712
Fair value of FRX replacement stock options		210,897
Fair value of FRX replacement share purchase warrants		455,739
Total Purchase Price Consideration	$	**6,927,348**

The Company stock options granted and warrants issued in exchange for the FRX options and warrants were assigned a fair value based on the following weighted average assumptions used in the Black-Scholes option pricing model:

	Options	**Warrants**
Risk-free interest rate	1.81%	1.15%
Expected share price volatility	92.35%	100.28%
Expected option/warrant life in years	2.34	1.02
Expected dividend yield	0.00%	0.00%

3. Amalgamation with Fortune River Resource Corp., continued

The fair values of the acquired identifiable net assets were allocated as follows:

Cash	$	23,923
Receivables		11,239
Prepaid and deposits		3,906
Reclamation bonds		42,860
Mineral properties		7,857,306
Accounts payable and accrued liabilities		(144,340)
Due to related parties		(867,546)
Net Assets Acquired	$	**6,927,348**

4. Financial Instruments

The carrying value of financial assets and liabilities at January 31, 2012 and July 31, 2011 are as follows:

	January 31, 2012			July 31, 2011		
Financial Assets	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**
Cash	$ 338,198	$ -	$ -	$ 692,672	$ -	$ -
Marketable securities	-	11,500	-	-	10,000	-
Reclamation bonds	-	-	163,280	-	-	204,866
	$ 338,198	$ 11,500	$ 163,280	$ 692,672	$ 10,000	$ 204,866

	January 31, 2012	July 31, 2011
Financial Liabilities	**Other Financial Liabilities**	**Other Financial Liabilities**
Accounts payable and accrued liabilities	$ 67,526	$ 262,781
Due to related parties	21,710	8,035
	$ 89,236	$ 270,816

4. Financial Instruments, continued

Fair Value

The carrying values of cash, accounts payable and accrued liabilities and due to related parties are a reasonable estimate of their fair values due to the relatively short time period to maturity. Reclamation bonds are non-interest-bearing and carrying values approximate fair value. The fair value of the marketable securities was based on quoted market price in an active market as at January 31, 2012.

The following table sets forth the Company's financial assets measured at fair value within the fair value hierarchy:

	January 31, 2012				**July 31, 2011**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Marketable securities	$ 11,500	$ -	$ -	$ 11,500	$ 10,000	$ -	$ -	$ 10,000
Total	**$ 11,500**	**$ -**	**$ -**	**$ 11,500**	**$ 10,000**	**$ -**	**$ -**	**$ 10,000**

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

(a) Credit Risk

The Company is exposed to credit risk with respect to managing its cash position. This risk is mitigated by risk management policies that require deposits or short-term investments to be invested with Canadian chartered banks rated BBB or better or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration. The Company has no exposure to asset-backed commercial paper.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall 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 anticipated investing and financing activities. The Company normally maintains sufficient cash to meet the Company's business requirements. However, at January 31, 2012 the cash balance of $338,198 would be insufficient to meet the cash requirements for the Company's administrative overhead, maintaining its mineral interests and continuing with its exploration program in the coming year. Therefore, the Company will be required to raise additional capital in order to fund its operations in fiscal 2012 (Note 15). At January 31, 2012, the Company had accounts payable of $67,526, and amounts due to related parties of $21,710, due within 30 days.

4. Financial Instruments, continued

(c) Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other price risk:

(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, fluctuations in market rates do not have a significant impact on the estimated fair value as of January 31, 2012.

(ii) Currency Risk

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

As at January 31, 2012 and July 31, 2011, the Company's net exposure to foreign currency risk is as follows:

		US $		
		January 31 2012		**July 31, 2011**
Cash	$	155,869	$	214,452
Reclamation bonds		162,824		214,407
Accounts payable and accrued liabilities		(50,327)		(218,476)
Due to related parties		(7,009)		(7,566)
Net exposure to foreign currency risk	$	**261,357**	$	**202,817**
Canadian dollar equivalent		**262,089**		**193,792**

Based on the above net foreign currency exposure, and assuming all other variables remain constant, an 11% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's net loss and comprehensive loss.

(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 with regard to the marketable securities the Company holds as disclosed in Note 6. Assuming all other variables remain constant, a 25% decrease or increase in the market price of the marketable securities would not have a material effect on the Company's net loss and comprehensive loss.

5. Management of Capital

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

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

As the Company is in the exploration stage, its operations have been funded by the issuance of common shares. The Company will continue with this financing method in the future depending upon market and economic conditions at the time. There were no changes in the Company's approach to capital management during the six months ended January 31, 2012. The Company is not subject to externally imposed capital requirements.

6. Marketable Securities

On January 1, 2010, the Company entered into an agreement and granted NuLegacy Gold Corporation ("NuLegacy") an option to acquire a 70% interest in the Half Ounce property, located in Nevada, USA (agreement terminated on April 19, 2011). As per the agreement, NuLegacy issued 50,000 common shares to the Company. As at January 31, 2012, the Company held 50,000 (July 31, 2011 – 50,000) common shares of NuLegacy which represents less than 1% of the total number of outstanding common shares of NuLegacy.

7. Mineral Properties

Deferred mineral property acquisition costs by property for the period ended January 31, 2012 were as follows:

Mineral Properties	Wind Mountain $	Signal $	Pete Hanson $	Other $	Total $
Acquisition costs					
Balance as at August 1, 2010	-	394,450	53,706	1,445,987	1,894,143
Additions from Amalgamation (Note 3)	5,300,452	-	-	2,556,854	7,857,306
Additions during the year	45,382	30,533	18,674	340,427	435,016
Write-offs	-	-	-	(406,024)	(406,024)
Balance as at July 31, 2011	5,345,834	424,983	72,380	3,937,244	9,780,441
Additions (recoveries) during the period	46,267	(22,374)	458	205,394	229,745
Write-offs	-	-	-	(6,685)	(6,685)
Balance as at January 31, 2012	**5,392,101**	**402,609**	**72,838**	**4,135,953**	**10,003,501**

7. Mineral Properties, continued

Terms of the agreements for these properties are described below:

(a) Wind Mountain

Pursuant to an option agreement dated February 27, 2006, the Company earned a 100% interest in certain mineral claims located in northwestern Nevada. These claims are subject to a 2% net smelter royalty ("NSR") of which the Company may purchase 1% for US $1,000,000 before commencement of commercial production.

On February 15, 2007, the Company signed a lease agreement, as amended February 6, 2009, with a private vendor for the lease of an additional ten mineral claims located in Washoe County, Nevada, contiguous to the Company's Wind Mountain project.

Pursuant to the lease agreement for the ten claims, the Company is required to make remaining advance minimum royalty ("AMR") payments of:

- US $25,000 on February 15, 2012 (paid subsequent to period end) and annually thereafter.

These claims are subject to a 3% NSR on all production from the leased claims on the commencement of commercial production, of which 2% may be purchased at the rate of US $1,000,000 per percentage point.

In addition, the Company staked additional claims southeast and northwest of the project.

(b) Mountain Boy (Signal and Temple)

Pursuant to an option agreement dated April 22, 2005, the Company has the right to earn a 100% undivided interest in a group of claims in Eureka County, Nevada.

To exercise its option to acquire the interest, the Company was required to make AMR payments of US $190,000 (paid) to June 20, 2008.

The option agreement was amended on May 29, 2009 as follows:

To earn a 100% interest in the Signal Claims the Company is required to make remaining AMR payments of:

- US $20,000 on or before June 20, 2012; and
- US $30,000 on or before June 20, 2013 and on every anniversary date thereafter.

To earn a 100% interest in the Temple Claims the Company is required to make remaining AMR payments of:

- US $20,000 on or before June 20, 2012; and
- US $30,000 on or before June 20, 2013 and on every anniversary date thereafter.

7. Mineral Properties, continued

(b) Mountain Boy (Signal and Temple), continued

The claims are subject to a 2% NSR, of which the Company may reduce to 1% by paying US $1,000,000 prior to the commencement of commercial production.

On July 25, 2011 the Company signed an earn-in option agreement with respect to the Signal claims whereby the optionee can earn an initial 51% interest by incurring expenditures and issuing shares as follows:

- US $250,000 between July 25, 2011 and July 23, 2012 and issue to the Company 50,000 common shares;
- US $250,000 between July 24, 2012 and July 23, 2013;
- US $250,000 between July 24, 2013 and July 23, 2014 and issue to the Company 100,000 common shares; and
- US $1,400,000 between July 24, 2014 and July 23, 2015 and issue to the Company 100,000 common shares.

Having completed the above, the parties will form a joint venture in which the optionee can earn an additional 19% interest by incurring expenditures and issuing shares as follows:

- US $1,400,000 between July 24, 2015 and July 23, 2016 and issue to the Company 100,000 common shares;
- US $1,450,000 between July 24, 2016 and July 23, 2017 and issue to the Company 100,000 common shares; and
- US $1,000,000 between July 24, 2017 and July 23, 2018.

(c) Battle Mountain - Pete Hanson, Three Bar, South Lone Mountain, South Gold Bar, North Lone Mountain and Gabel Canyon

Pursuant to a finder's agreement dated November 1, 2003, the Company has the right to acquire certain groups of mineral claims located in Eureka and Lander Counties, Nevada. Certain proprietary research data was provided to the Company over the term of the agreement.

The Company acquired a 100% interest in the properties introduced, subject to a 1% NSR. The NSR may be reduced from 1% to 0.5% by paying US $3,000,000 at any time. In addition, any property that is staked or otherwise acquired directly by the Company within the area of interest is subject to a 0.5% NSR.

The Company is seeking a joint-venture partner to further evaluate the Gabel Canyon, North Lone Mountain and South Gold Bar properties. However, in accordance with accounting standards, the Company recorded an impairment provision against all capitalized costs relating to these properties as at July 31, 2011 and January 31, 2012.

In addition, certain historic Battle Mountain geological data were deemed impaired and an impairment provision was recorded against all capitalized costs as at July 31, 2011.

7. Mineral Properties, continued

(d) Battle Mountain - SF

Pursuant to an agreement dated April 1, 2004, amended on November 20, 2006 and August 8, 2011, the Company acquired the right to earn a 100% interest in certain mineral claims located in Eureka County, Nevada. To earn its interest, the Company is required to make remaining AMR payments of:

- US $30,000 on or before December 11, 2012;
- US $30,000 on or before December 11, 2013; and
- US $30,000 on or before December 11, 2013.

The claims are subject to a 1% NSR, which the Company may reduce to 0.5% by paying US $3,000,000 prior to the commencement of commercial production.

(e) Battle Mountain - Granite Mountain

Pursuant to an agreement dated June 28, 2004, the Company leased certain patented fee land in Lander County, Nevada. The Company paid a finder's fee of US $1,500, and granted an NSR of 0.5%, to an independent third party to acquire the option to this property.

The Company is required to make remaining AMR payments, until either the commencement of commercial production or the Company forfeits its interest, of:

- Annual payments on a monthly basis that will increase annually by 5%. The annual amount to be paid monthly for the current year is US $13,784.

The land is subject to 2% NSR on the commencement of commercial production, which the Company may reduce to 1% by paying US $1,000,000 prior to the commencement of commercial production.

(f) Battle Mountain - Half Ounce

Pursuant to an option agreement dated January 12, 2005, as amended on January 12, 2009, the Company had the right to acquire a 100% interest in certain unpatented mineral claims located in Eureka County, Nevada.

On January 1, 2010, the Company entered into an agreement and granted NuLegacy an option to acquire a 70% interest in the claims. Effective June 1, 2011 the Company received notice from NuLegacy that it intended to exercise its termination clause and end the option agreement.

On October 30, 2011 the Company notified the original optionors that it intends to exercise its termination clause and end the option agreement. The Company recorded an impairment provision against all capitalized costs relating to this property as at July 31, 2011 and January 31, 2012.

7. Mineral Properties, continued

(g) Battle Mountain - Shoshone Pediment

On April 8, 2009, the Company entered into a six year lease / option purchase agreement with respect to certain of its 100% owned unpatented mining claims in Lander County, Nevada whereby the optionee leased, with an option to purchase, the barite rights at the property. Payments of US $25,000 (2009 to 2011 received) are due from the optionee on each anniversary date and the optionee will pay all claim fees during the option period. The optionee 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 in excess of 150,000 tons.

(h) Battle Mountain – NSR Project

Pursuant to an option agreement dated January 1, 2010, the Company has the right to acquire certain unpatented mining claims in Lander County, Nevada and the immediate transfer of ownership of a logistical base in nearby Crescent Valley, which includes a work shop and double-wide trailer for personnel.

The Company can earn a 100% interest in the claims by spending US $2,000,000 over a maximum of six years and by issuing 300,000 common shares to the optionor (issued by BVG).

Within 60 days after the Company completes the earn-in, the optionor can either:

- establish a joint venture and elect to participate at 60% by spending US $4,000,000 over a four-year period, with a minimum expenditure of US $1,000,000 annually and producing a bankable-quality feasibility document;
- establish a joint venture and elect to earn a further 10%, for a total of 70%. At the Company's option the optionor will finance the Company's portion of mine development costs at market rates to be recovered from 80% of the Company's share of proceeds of production, or
- elect to reduce to a 2% NSR of which 1% can be purchased for US $1,000,000 within six months of commercial production.

(i) Battle Mountain - Colorback

Pursuant to a minerals lease agreement dated December 8, 2010, the Company has the right to lease certain lands and unpatented mining claims located in the Cortez Mining district in Nevada, USA.

The Company must incur remaining property expenditures (of which 50% must be spent on exploration drilling during the second anniversary year) as follows:

- US $150,000 on or before December 8, 2012 (firm commitment not affected by termination);
- an additional US $300,000 on or before December 8, 2013;
- an additional US $500,000 on or before December 8, 2014;
- an additional US $750,000 on or before December 8, 2015; and
- an additional US $1,250,000 on or before December 8, 2016.

7. Mineral Properties, continued

(i) Battle Mountain - Colorback, continued

The Company will be liable for annual rental payments of US $20 per acre beginning December 8, 2017, and thereafter increasing by 5%, should the Company have not spent US $100,000 in the preceding anniversary year. Prior to mine construction, the Company must also deliver a positive feasibility study on a deposit containing at least 500,000 ounces of gold.

Once the Company has completed these requirements, the optionor can either:

(i) elect to form a joint venture and contribute US $4,000,000 to earn 51% with an option to spend an additional US $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 US $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 US $1,000,000 per percentage point.

(j) Highland

Pursuant to an option agreement dated June 12, 2002, as amended September 8, 2005, October 31, 2005, March 9, 2009 and June 8, 2009, the Company acquired the right to earn a 100% interest in certain mineral claims located in Lander County, Nevada. The Company subsequently staked additional claims, all of which are subject to the same terms and conditions.

To earn its interest the Company is required to make remaining AMR payments of:

- US $40,000 on or before May 13, 2012; and
- US $50,000 on or before May 13, 2013.

The claims are subject to a 3% NSR which the Company may reduce to 2% by paying US $1,000,000 prior to the commencement of commercial production.

The President of the Company holds a right to 20% of all property lease, purchase, advanced royalty or production royalty payments received by the optionors under the terms of the underlying agreement. To January 31, 2012, the President has received aggregate payments of US $51,000.

Effective July 15, 2009, the Company signed an option and joint-venture agreement with Christopher James Gold Corp (“CJG”). Pursuant to the agreement, CJG may have earned a 51% interest in the property. Also, pursuant to the agreement, the Company was entitled to charge a 10% fee on all exploration expenditures incurred on the property.

Effective March 3, 2011 the Company received notice from CJG that it intended to exercise its termination clause and end the joint venture agreement.

7. Mineral Properties, continued

(k) Drayton

In January 2007, the Company exercised its option pursuant to an option agreement made in August 2002, as amended in October 2003 and October 2005, and earned a 100% interest in certain mineral claims located in the Patricia Mining Division of Ontario.

The claims are subject to a 3% NSR, which the Company may reduce to 2% by paying $1,500,000 and may be reduced further to 1.5% by payment of a further $1,500,000 prior to the commencement of commercial production.

(l) Baxter

Pursuant to an option agreement dated February 24, 2003, as amended on April 29, 2009, June 8, 2009, March 1, 2010 and March 1, 2012 the Company has the right to acquire a 100% interest in certain mineral claims located in Churchill and Nye Counties, Nevada. To earn its interest, the Company is required to pay remaining AMR payments of US $25,000 annually commencing on March 1, 2008 (2008 to 2011 – paid; 2012 deferred until on or before September 1, 2012).

The claims are subject to a 3% NSR, which the Company may reduce to 2% by paying US $1,000,000 prior to the commencement of commercial production.

The President of the Company holds a right to 50% of all property leases, purchase, advanced royalty or production royalty payments under the terms of the option agreement. To January 31, 2012, the President has received aggregate payments of US $100,000 in cash and 21,250 common shares of the Company (adjusted from 25,000 as per the Amalgamation).

(m) Mud Springs

In April 2004, the Company staked certain mineral claims within the area-of-interest of the Baxter property, which are subject to the same terms and conditions as the Baxter property option agreement. No additional payments are due. The President of the Company holds a 50% beneficial interest in the mineral claims.

(n) Buz

Pursuant to a property option agreement dated April 29, 2004, as amended March 9, 2009, June 8, 2009 and May 1, 2011, the Company acquired the right to earn an undivided 100% interest in certain lode mineral claims located in Lander County, Nevada.

To earn its interest the Company is required to make remaining AMR payments of:

- US $24,000 on or before May 1, 2012; and
- US $30,000 each year with the first payment due on or before May 1, 2013.

7. Mineral Properties, continued

(n) Buz, continued

The claims are subject to a 3% NSR which the Company may reduce to 1.5% by paying US $1,500,000 prior to the commencement of commercial production.

The President of the Company holds a one-third beneficial interest in the option agreement. To January 31, 2012, the President has received aggregate payments of US $25,000 in cash and 17,000 common shares of the Company (adjusted from 20,000 as per the Amalgamation), which represented one-third of the AMR payments made and one-third of the shares issued in respect to this property since execution of the agreement.

Effective July 15, 2009, the Company signed an option and joint-venture agreement with CJG. Pursuant to the agreement, CJG may have earned a 51% interest in the property. Also, pursuant to the agreement, the Company was entitled to charge a 10% fee on all exploration expenditures incurred on the property.

Effective March 3, 2011 the Company received notice from CJG that it intended to exercise its termination clause and end the joint venture agreement.

(o) East Manhattan

Pursuant to an option agreement dated October 25, 2007, the Company has the right to acquire a 100% interest in certain mineral claims located in Nye County, Nevada in consideration for a one-time payment of US $45,000 (paid) and a commitment for 4,000 feet (approximately 1,200 meters) of drilling within 12 months (completed during 2008). The optionor retains a 3% NSR, of which 1% can be purchased for US $1,000,000 any time prior to commencement of commercial production.

(p) Zebra

Pursuant to an option agreement dated August 13, 2009, the Company has the right to acquire a 100% undivided interest in certain lode mineral claims located in Elko County, Nevada.

To exercise the option, the Company is required to make remaining AMR payments of:

- US $30,000 on or before August 13, 2012;
- US $40,000 on or before August 13, 2013; and
- US $50,000 on or before August 13, 2014 and each year thereafter for as long as the agreement is in effect.

The property is subject to a 3% NSR, which the Company may reduce to 2% by paying US $1,000,000, and may be reduced further to 1% by payment of a further US $1,500,000 prior to the commencement of commercial production.

7. Mineral Properties, continued

(p) Zebra, continued

On August 31, 2009, the Company signed a letter of intent ("LOI") with CJG. According to the LOI, after an initial payment of US $15,000 made by CJG to the Company, each company will contribute equally to each earn a 50% interest in the Zebra property. The companies agreed to equally share all ongoing property maintenance, exploration and development costs, including all exploration costs and all royalty payments required in the underlying option agreement as well as claim-holding fees. In the event that CJG exercises the initial option by having participated in all exploration costs and in the annual shared payments of up to US $100,000 and hence acquires a 50% interest in the property, a joint-venture will be formed for the further exploration and development of the property.

The LOI provides that the Company will be a project manager and is entitled to charge 10% overhead fee on 50% of all exploration expenditures incurred on the property, but not exceeding US $125,000 per year.

(q) Millie

Pursuant to an option agreement dated November 30, 2010, the Company has the right to acquire a 100% interest in certain mining claims near Mill City, Nevada.

The agreement requires payment of claim-filing fees and remaining escalating AMR payments of:

- US $15,000 on or before November 30, 2012;
- US $20,000 on or before November 30, 2013; and
- US $25,000 on or before November 30, 2014 and each year the agreement is in effect.

The claims are subject to an NSR of 2%, with an option to purchase 1% for $500,000 any time prior to commercial production, and a 0.5% NSR on any additional land acquired within a defined area-of-interest.

Pursuant to a lease with option to purchase agreement dated January 5, 2011, the Company has the right to acquire a parcel of land near Mill City, Nevada.

The Company is required to make remaining annual lease payments of:

- US $3,000 on or before January 5, 2013;
- US $4,000 on or before January 5, 2014;
- US $5,000 on or before January 5, 2015;
- US $6,000 on or before January 5, 2016;
- US $7,000 on or before January 5, 2017;
- US $8,000 on or before January 5, 2018;
- US $9,000 on or before January 5, 2019; and
- US $10,000 on or before January 5, 2020; and each year until the option to purchase is exercised.

7. Mineral Properties, continued

(q) Millie, continued

The Company is entitled to drill on the property for twelve month periods upon a payment of a bonus amount of $1,000 prior to commencement of drilling.

The Company may purchase the land at a price of US $700 per acre up until January 5, 2016 after which the purchase price shall be adjusted annually for inflation.

The land is subject to an NSR of 1% payable upon commencement of commercial production.

(r) Quito

Pursuant to an option agreement dated May 27, 2011, as amended November 29, 2011, the Company has the right to acquire certain unpatented mining claims in Lander County, Nevada. The Company can earn a 70% interest in the property by spending US $2,500,000 over five years as follows:

- complete an initial drill program by December 31, 2011 (amended to December 31, 2012 on November 29, 2011);
- incur not less than an aggregate US $500,000 of expenditures on or before November 1, 2012;
- incur not less than an aggregate US $1,000,000 of expenditures on or before November 1, 2013;
- incur not less than an aggregate US $1,500,000 of expenditures on or before November 1, 2014;
- incur not less than an aggregate US $2,000,000 of expenditures on or before November 1, 2015;
- incur not less than an aggregate US $2,500,000 of expenditures and deliver a final report to the optionor on or before November 1, 2016.

If the option is terminated prior to November 1, 2012, and an aggregate expenditure of US $500,000 has not been incurred, any difference between actual and aggregate expenditures will become payable in cash in thirty days from termination.

Within 60 days after the Company completes the earn-in, the optionor can either:

- establish a joint venture and elect to participate at 30%;
- establish a joint venture and elect to participate at 51%, should a gold deposit of greater than 2,000,000 ounces be discovered, by paying the Company three times the Company's exploration expenditures. The optionor will finance the Company's 49% portion of mine development costs as a Libor plus 1.5% interest loan to be recovered from 80% of the Company's share of proceeds of production, or
- elect to reduce to a 2% NSR and receive either US $500,000 of the Company's shares or US $500,000 cash at the Company's option.

7. Mineral Properties, continued

(s) Mineral Property Exploration Expenses

Exploration expenditures incurred for the six month period ended January 31, 2012 were as follows:

Mineral Properties	**Wind Mountain**	**Signal**	**Pete Hanson**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
Assays and geochemistry	118,310	-	-	16,862	135,172
Camp, utilities and supplies	2,624	-	27	2,740	5,391
Drilling services	123,499	-	-	2,813	126,312
Environmental	-	-	72	-	72
Equipment, rentals and supplies	14,231	-	-	5,498	19,729
Geological and geophysics	119,637	150	210	66,730	186,727
Project supervision	9,975	253	1,259	13,706	25,193
Travel	73	-	-	34	107
	388,349	**403**	**1,568**	**108,383**	498,703
General exploration - other					**324**
					499,027

Exploration expenditures incurred for the six month period ended January 31, 2011 were as follows:

Mineral Properties	**Wind Mountain**	**Signal**	**Pete Hanson**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
Assays and geochemistry	-	12,856	9,893	495	23,244
Camp, utilities and supplies	622	1,427	4,340	1,549	7,938
Drilling services	-	29,841	168,578	-	198,419
Environmental	-	-	-	662	662
Equipment, rentals and supplies	2,154	3,201	5,672	2,636	13,663
Geological and geophysics	10,834	12,353	27,040	49,712	99,939
Project supervision	628	6,575	5,479	7,799	20,481
	14,238	**66,253**	**221,002**	**62,853**	364,346
General exploration - other					**11,457**
					375,803

7. Mineral Properties, continued

(t) Title to Mineral Properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(u) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

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 mineral properties, the potential for production on the properties may be diminished or negated.

(v) 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 may not reflect present or future values.

8. Reclamation Bonds

The Company has posted 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 January 31, 2012, the amount on deposit was $163,280 (US $162,824) (July 31, 2011 - $204,866 (US $214,407)).

9. Related Party Transactions

In addition to the transactions disclosed elsewhere in the condensed consolidated interim financial statements, the Company entered into the following related party transactions during the six months ended January 31, 2012 and 2011:

(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:

- $48,540 (2011: $51,825) for office space and administration services;
- $43,875 (2011: $30,699) for professional services;
- $8,895 (2011: $5,235) for consulting services;
- $39,210 (2011: $32,395) for investor relations services;
- $298 (2011: $nil) for geological consulting services;
- $4,689 (2011: $3,177) in respect of the mark-up on out-of-pocket expenses.

As at January 31, 2012, amounts payable under the agreement were $16,268 (July 31, 2011: $nil) and prepaid rent of $nil (July 31, 2011: $1,996) is included in prepaid expenses.

(b) Fees relating to legal services in the amount of $24,163 (2011: $39,085) were charged by a law firm controlled by a director and an officer of the Company and included in investor relations, professional fees, mineral property expenditures and share issue costs. Amounts payable as at January 31, 2012 were $3,092 (July 31, 2011: $nil).

(c) Fees relating to professional services in the amount of $40,500 (2011: $60,750) were charged by a director and an officer of the Company.

(d) Fees relating to office administration of $nil (2011: $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).

(e) Fees relating to professional services of $15,000 (2011: $15,000) were charged by a private company controlled by an officer of the Company. Amounts payable as at January 31, 2012 were $2,800 (July 31, 2011: $5,000).

(f) Fees relating to investor relations and corporate development of $nil (2011: $1,300) were charged by a director of the Company.

9. Related Party Transactions, continued

(g) Fees relating to investor relations and corporate development of $12,500 (2011: $nil) were charged by a private company controlled by a former director and officer of BA's former parent Company. Amounts payable as at January 31, 2012 were $2,800 (July 31, 2011: $5,600).

(h) Fees charged for management, geological and mining consulting services of US $37,500 (2011: US $37,500) were charged by a director and an officer of the Company. The charges are expensed or capitalized to mineral properties as appropriate. As at January 31, 2012, the Company advanced and offset against due to related parties $3,250 (US $3,241) (July 31, 2011: $2,565 US $2,684) in order to meet operational expenses.

These transactions are in the normal course of operations and amounts due to related parties are unsecured, non-interest-bearing and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. Other than consulting fees paid to directors and other members of key management personnel (disclosed in (b), (c), (d), (e), (f) and (h) above), the Company paid no other fees nor granted any share-based payments during the six months ended January 31, 2012 or 2011.

Certain executive officers are entitled to termination benefits in the event of a change of control equal to one hundred percent of the compensation that would have been paid during the unexpired term of their agreements. The remaining balance payable under the agreements as at January 31, 2012 was $487,500. The Company has no other employee or post-employment benefits.

10. 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) Equity Financings

On November 14, 2011, a non-brokered private placement of 18,800,000 common shares at a price of $0.05 per common share was completed for gross proceeds of $940,000. The Company also issued 530,000 finders' warrants with each warrant exercisable into one common share at a price of $0.20 per common share for a period of two years. Finders also received a 6% fee payable in cash.

(c) 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.

10. Share Capital, continued

(c) Stock Options, continued

A summary of the stock options outstanding and exercisable as at January 31, 2012 is provided below:

Exercise Price	Fair Value at Grant Date	Expiry Date	Balance July 31, 2011	Granted	Expired	Balance January 31, 2012
$0.45	$0.09	May 22, 2012	263,500	-	-	263,500
$0.45	$0.10	October 19, 2012	21,250	-	-	21,250
$0.45	$0.10	October 30, 2012	25,500	-	-	25,500
$0.31	$0.13	February 20, 2013	246,500	-	-	246,500
$0.42	$0.13	May 2, 2013	136,000	-	-	136,000
$0.10	$0.17	April 23, 2015	1,011,500	-	17,000	994,500
$0.12	$0.08	May 11, 2015	170,000	-	-	170,000
$0.15	$0.11	May 27, 2015	2,135,000	-	50,000	2,085,000
$0.13	$0.08	December 31, 2015	100,300	-	-	100,300
$0.10	$0.09	June 16, 2016	4,800,000	-	50,000	4,750,000
$0.10	$0.09	June 29, 2016	200,000	-	-	200,000
$0.10	$0.06	January 4, 2017	-	100,000	-	100,000
Options outstanding			**9,109,550**	**100,000**	**117,000**	**9,092,550**
Options exercisable			**9,059,400**			**8,992,550**
Weighted average exercise price, options outstanding			$0.13		$0.08	$0.13
Weighted average contractual life, options outstanding (years)			4.21			3.72
Weighted average exercise price, options exercisable			$0.13			$0.13
Weighted average contractual life, options exercisable (years)			4.21			3.70

On January 4, 2012 the Company granted a consultant 100,000 stock options exercisable at $0.10 for a period of five years. These options vest on April 4, 2012 (25%), July 4, 2012 (25%), October 4, 2012 (25%) and January 4, 2013 (25%). As at January 31, 2012, none of these options had vested and none were exercisable.

10. Share Capital, continued

(c) Stock Options, continued

A summary of the stock options outstanding and exercisable as at January 31, 2011 is provided below:

Exercise Price	Fair Value at Grant Date	Expiry Date	Balance July 31, 2010	Issued on Amalgamation	Expired	Exercised	Balance January 31, 2011
$0.44	-	January 16, 2011	-	293,250	293,250	-	-
$0.58	-	January 31, 2011	-	352,750	352,750	-	-
$0.89	-	March 27, 2011	-	106,250	-	-	106,250
$1.00	-	March 30, 2011	-	208,250	-	-	208,250
$0.50	-	June 1, 2011	-	108,375	6,375	-	102,000
$0.45	-	May 22, 2012	-	280,500	17,000	-	263,500
$0.45	-	October 19, 2012	-	21,250	-	-	21,250
$0.45	-	October 30, 2012	-	25,500	-	-	25,500
$0.31	-	February 20, 2013	-	259,250	8,500	-	250,750
$0.42	-	May 2, 2013	-	136,000	-	-	136,000
$0.10	-	April 23, 2015	-	1,075,250	42,500	-	1,032,750
$0.12	-	May 11, 2015	-	170,000	-	-	170,000
$0.15	$0.11	May 27, 2015	2,375,000	-	175,000	40,000	2,160,000
$0.13	-	December 31, 2015	-	100,300	-	-	100,300
Options outstanding			**2,375,000**	**3,136,925**	**895,375**	**40,000**	**4,576,550**
Options exercisable			**2,375,000**				**4,391,250**
Weighted average exercise price, options outstanding			$0.15	$0.36	$0.42	$0.15	$0.24
Weighted average remaining contractual life, options outstanding (years)			4.83				3.55
Weighted average exercise price, options exercisable			$0.15				$0.24
Weighted average remaining contractual life, options exercisable (years)			4.83				3.51

Options issued on amalgamation originally granted on May 11, 2010 vest 25% every quarter beginning August 11, 2010. As at January 31, 2011, 85,000 options had vested and were fully exercisable and 85,000 options remained unvested.

Options issued on amalgamation originally granted on December 31, 2010, vest 25% every quarter beginning March 31, 2011. As at January 31, 2011, none of these options had vested and none were fully exercisable.

10. Share Capital, continued

(d) Share Purchase Warrants

A summary of the common share purchase warrants outstanding as at January 31, 2012 is provided below:

Exercise Price	Expiry Date	Balance July 31, 2011	Granted	Expired	Balance January 31, 2012
$0.10	April 15, 2012	5,504,495	-	-	5,504,495
$0.10	January 15, 2012	68,850	-	68,850	-
$0.20	August 6, 2012	3,000,000	-	-	3,000,000
$0.20	August 6, 2012	361,667	-	-	361,667
$0.20	August 20, 2012	450,000	-	-	450,000
$0.20	August 20, 2012	87,000	-	-	87,000
$0.20	April 6, 2013	10,125,000	-	-	10,125,000
$0.20	April 6, 2013	1,605,000	-	-	1,605,000
$0.20	May 6, 2013	4,851,975	-	-	4,851,975
$0.20	May 6, 2013	505,000	-	-	505,000
$0.20	November 14, 2013	-	330,000	-	330,000
$0.20	November 16, 2013	-	200,000	-	200,000
		26,558,987	**530,000**	**68,850**	**27,020,137**
Weighted average exercise price		$0.18	$0.20	$0.10	$0.18
Weighted average contractual life (years)		1.35			0.92

On January 12, 2012, the expiry date of 5,504,495 share purchase warrants exercisable at $0.10 was extended from January 15, 2012 to April 15, 2012.

A summary of the common share purchase warrants outstanding as at January 31, 2011 is provided below:

Exercise Price	Expiry Date	Balance July 31, 2010	Granted	Balance January 31, 2011
$0.10	January 15, 2012	-	5,504,495	5,504,495
$0.10	January 15, 2012	-	68,850	68,850
$0.20	August 6, 2012	-	3,000,000	3,000,000
$0.20	August 6, 2012	-	361,667	361,667
$0.20	August 20, 2012	-	450,000	450,000
$0.20	August 20, 2012	-	87,000	87,000
		-	**9,472,012**	**9,472,012**
Weighted average exercise price		-	$0.14	$0.14
Weighted average contractual life (years)		-		1.19

10. Share Capital, continued

(e) Fair Value Determination

The fair value of stock options and share purchase warrants granted and share purchase warrants modified were calculated using the Black-Scholes option pricing model with the following weighted average assumptions (not including options and warrants issued as part of the Amalgamation - Note 3):

	January 31, 2012			January 31, 2011	
	Options	Warrants	Modified Warrants	Options	Warrants
Risk-free interest rate	1.30%	0.90%	0.97%	N/A	1.32%
Expected share price volatility	106.11%	101.37%	55.91%	N/A	102.95%
Expected option/warrant life (years)	5.00	2.00	0.26	N/A	2.00
Expected dividend yield	0.00%	0.00%	0.00%	N/A	0.00%

The total calculated fair value of share-based payments for the six months ended January 31, 2012 and 2011 were included in the respective condensed consolidated statements of operations or equity as follows:

	January 31, 2012	January 31, 2011
Statements of Comprehensive Loss		
Directors, Officers and Employees	$ 920	$ -
Amalgamation options and warrants granted (incremental value)	-	292,603
Modification of share purchase warrants	35,880	-
	36,800	292,603
Statements of Changes in Equity (Agent Warrants)	7,257	59,941
Total	$ 44,057	$ 352,544

11. Transition to IFRS

As stated in Note 2 (a), these are the Company's second condensed consolidated interim financial statements prepared in accordance with IFRS. The accounting policies described in Note 2 have been consistently applied in preparing these condensed consolidated interim financial statements for the six months ended January 31, 2012, the comparative information presented in these condensed consolidated interim financial statements for the six months ended January 31, 2011 and the consolidated statement of financial position as at July 31, 2011. An explanation of IFRS 1, first-time adoption of IFRS exemptions, and the required reconciliations between IFRS and Canadian GAAP are described below.

11. Transition to IFRS, continued

In preparing these condensed consolidated interim financial statements, the Company has applied IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 gives entities adopting IFRS for the first time a number of optional and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS.

The following are the optional exemptions available under IFRS 1 that the Company has elected to apply:

Share-based Payments

The Company elected to not apply IFRS 2, Share-based Payment, to equity instruments granted before November 7, 2002 and those granted but fully vested before the date of transition to IFRS.

Business Combinations

The Company elected to not apply IFRS 3, Business Combinations, with respect to business combinations that occurred before the date of transition to IFRS. As a result of this election, no adjustments were required to the Company's statement of financial position as at August 1, 2010.

The following accounting policy amendments and other recognition adjustments have been made on the transition to and adoption of IFRS:

(a) Exploration expenditures

On transition to IFRS the Company elected to retrospectively change its accounting policy for the treatment of exploration expenditures to a policy of expensing all exploration expenditures, so as to align itself with policies applied by other comparable companies at a similar stage in the mining industry.

(b) Share-based payments

On transition to IFRS the Company elected to retrospectively change its accounting policy for the treatment of share-based payments whereby amounts recorded for expired unexercised stock options, finders' options, and warrants are transferred from contributed surplus to deficit. Previously, the Company's Canadian GAAP policy was to leave such amounts in contributed surplus.

(c) Deferred Income Tax

On transition to IFRS, deferred income tax recognized on Amalgamation was reversed in accordance with International Accounting Standard 12, *Income Taxes*, which prohibits recognition of a deferred tax liability if it arises from the initial recognition of specified assets or liabilities in a transaction that is not a business combination and does not affect accounting or taxable income at the time.

11. Transition to IFRS, continued

Reconciliation of Equity

The table below provides a summary of the adjustments to equity as at January 31, 2011:

	Note		January 31, 2011
Total Assets per GAAP		$	14,800,063
Decrease in mineral properties	11(a)		(2,965,070)
Decrease in deferred income tax	11(c)		(1,428,726)
Total assets per IFRS		$	**10,406,267**
Total Liabilities per GAAP		$	2,412,377
Decrease in deferred income tax	11(c)		(1,428,726)
Total Liabilities per IFRS		$	**983,651**
Total Equity per GAAP		$	12,387,686
Decrease in mineral properties	11(a)		(2,965,070)
Decrease in contributed surplus	11(b)		(29,468)
Decrease in deficit	11(b)		29,468
Total Equity per IFRS			**9,422,616**
Total Liabilities and Equity per IFRS		$	**10,406,267**

Reconciliation of Comprehensive Loss

The table below provides a summary of the adjustments to comprehensive loss for the three and six month periods ended January 31, 2011:

	Note		Three months ended January 31, 2011	Six months ended January 31, 2011
Comprehensive Loss per GAAP		$	623,875	849,795
Increase in exploration expenditures	11(a)		69,233	364,346
Comprehensive Loss per IFRS		$	**693,108**	**1,214,141**

Reconciliation of Cash Flows

The only material adjustments to cash flows arose due to the change in accounting policy for the treatment of exploration expenditures. Under IFRS, such expenditures are now treated as operating activities as opposed to investing activities under Canadian GAAP. Total cash balances remained unchanged on adoption of IFRS.

12. Segmented Information

The Company operates in one business segment, the acquisition and exploration of mineral properties, and its consolidated assets are distributed by geographic location as follows:

	January 31, 2012		July 31, 2011	
	$	%	$	%
Canada	1,077,809	10%	965,191	9%
USA	9,483,249	90%	9,772,376	91%
	10,561,058	**100%**	**10,737,567**	**100%**

The Company's mineral properties are located in Nevada, USA and Ontario, Canada.

13. Supplemental Cash Flow Information

	Six months ended January 31,	
	2012	2011
Cash Items		
Income tax paid	$ -	$ -
Interest paid	-	-
Interest received	2,356	3,704
Non-Cash Items		
Financing Activities		
Fair value of stock options exercised	$ -	$ 4,407
Fair value of agent warrants	7,257	59,941

14. Commitment

Except as disclosed elsewhere in these condensed consolidated interim financial statements, 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 and expires on August 31, 2012. The remaining fee commitment is $56,000 all due within one year.

15. Events after the Reporting Period

Other than the transactions disclosed elsewhere in these condensed consolidated interim financial statements, no other material events occurred subsequent to January 31, 2012.