

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

GENERAL

The following management's discussion and analysis ("MD&A") of the financial condition and operating results of Blue Gold Water Technologies Ltd. (formerly Golden Cross Resources Inc.) is for the nine months ended June 30, 2013. This discussion should be read in conjunction with the unaudited interim condensed consolidated financial statements for the nine months ended June 30, 2013 and the audited annual financial statements and related notes thereto for the year ended September 30, 2012. The board of directors approved this MD&A on August 29, 2013.

The Company's financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate the Company's financial situation.

The Company's financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-looking Information

This MD&A contains certain statements that may constitute "forward-looking statements". All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated development activities, the nature of future anticipated scientific research programs and the results thereof, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the market for, and pricing of, any products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce products successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

OVERVIEW AND DESCRIPTION OF BUSINESS

The Company was incorporated in British Columbia under the Business Corporations Act on June 20, 2006 under the name Golden Cross Resources Inc. On May 29, 2013 the Company completed its amalgamation with Blue Gold Tailing Technologies Ltd. ("BGTTL") to acquire BGTTL and its water remediation and tailings processing business. Prior to the amalgamation on May 21, 2013, the Company changed its name to Blue Gold Water Technologies Ltd. and is a listed issuer on the CNSX under the symbol "BGO", the Frankfurt Stock Exchange under the symbol 2GCN WKN: A1WY9Y.

Blue Gold Water Technologies Ltd. is a water remediation company with a suite of technologies and proprietary nano-biotechnology that provides environmentally safe solutions for water purification, restoration and contamination issues. BGTTL uses the EPA guidelines as a benchmark for what constitutes safe agricultural or drinkable water, and tailors these guidelines to those standards that are acceptable in the jurisdiction in which the technology is used.

In addition, the Company has the technology that recovers precious metals contained in tailings. At the end of the process the water is remediated and can be reused. The first contract has been signed to re-treat PGM rich chrome tailings materials.

The Company's suite of technologies includes: (i) PUREINATOR™, (ii) SMARTSAN™, (iii) LAREMUTEC™, and (iv) DESALT™ 1000/2000 & DESALT™ 5500. These technologies can be utilized as separate solutions or in combination with one another, to accommodate specific client requirements.

The Company's current business model is based on entering into long term agreements (plant installation and operating agreements) with clients pursuant to which the Company and client share in the capital costs of building and installing the treatment plants. Pursuant to a plant installation and operating agreement, the client pays the Company a negotiated dollar value per cubic meter of treated water or per ounce of precious metals with a negotiated guaranteed minimum.

HOLY CROSS PROPERTY

On September 26, 2006, the Company entered into a property purchase agreement with Aegean Marine Consultants Ltd. ("Aegean") pursuant to which the Company acquired a 100% interest in the Holy Cross mineral resource property located in the Omineca Mining Division of British Columbia, Canada, in consideration of a cash payment of \$25,000 and issuance of 5,000,000 common shares of the Company with a value of \$12,500.

The Holy Cross property is located in the Omineca Mining Division of north-central British Columbia, approximately 145 kilometres west of Prince George, BC and 33 kilometres south of the village of Fraser Lake between Bentzi Lake and Holy Cross Mountain. The property initially consisted of a single modified-grid mineral claim totaling 25 cells, or 477.545 hectares, located on National Topographic System map-sheet 093F15W centered at 53 degrees 47.5 minutes North Latitude and 124 degrees 58 minutes West Longitude. Additional claim cells were subsequently located to cover favourable ground and all cells were amalgamated into the current land base covering 2,005.5 hectares. The Company commissioned and received an independent technical report on the Property, in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The "Summary Report on the Holy Cross Property" dated May 22, 2007 and as amended on September 5, 2007; October 10, 2007; April 23, 2008; October 24, 2010 and November 15, 2011 (the "Report") was prepared by J.W. (Bill) Morton, P.Geo.

The Report and Amendments have been filed on the SEDAR website at www.sedar.com.

No exploration and evaluation expenses had been incurred on this property during the nine months ended June 30, 2013.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

SIGNIFICANT EVENTS, TRANSACTIONS AND ACTIVITIES

Amalgamation

Effective May 21, 2013, the Company changed its name to Blue Gold Water Technologies Ltd. and consolidated its common shares on the basis of one new post-consolidation common share for each two pre-consolidation common shares. As a result, the outstanding common shares prior to the amalgamation of Golden Cross Resources Inc. were reduced to approximately 29,138,659. The common shares of Blue Gold Water Technologies Ltd. began trading on a consolidated basis on May 21, 2013 under the symbol BGO.

On May 29, 2013, the Company completed its acquisition (the "Acquisition") of BGTTL by way of a three-cornered amalgamation between the Company, BGTTL and Golden Cross Acquisition Inc., a wholly-owned subsidiary of the Company, as fully disclosed in the news release of the Company dated November 22, 2012 and the information circular of the Company dated February 22, 2013. The Company will now carry on the business of BGTTL as Blue Gold Water Technologies Limited.

On closing, the Company issued a total of 45,857,143 common shares to the former shareholders of Blue Gold Tailing, 17,247,711 of which will be placed into escrow in accordance with CNSX policy. The Company also issued 4,478,572 warrants in exchange for warrants held by Blue Gold Tailing warrant holders and 3,000,000 common shares as a finder's fee in connection with the transaction. A further 9,000,000 common shares were allocated by the board of directors of the Company as earn out share for employees and consultants as the Company achieves certain milestones in the future. BGTTL amalgamated with Golden Cross Acquisition Inc. and is now a wholly-owned subsidiary of the Company.

The share capital of the Company on closing consisted of (i) 77,995,802 common shares, (ii) 950,000 stock options and (iii) 16,433,722 warrants with exercise prices ranging from \$0.20 to \$0.38.

Equity Financings – Private Placements

In addition to the completion of its acquisition on May 29, 2013, of all the outstanding shares of Blue Gold Tailing Technologies Ltd., BGTTL completed a concurrent private placement of 5,800,000 units at \$0.38 (post-consolidated) per unit, raising a total of \$2,200,000 in gross proceeds. Each unit is comprised of one common share and one half non-transferrable common share purchase warrant, with each whole warrant entitling the holder to purchase once additional common share (post consolidated) at an exercise price of \$0.19. Finder's fees amount to \$154,000 were paid to Bellotti Capital Partners Inc. and an individual on portions of the gross proceeds.

Operations

The Company completed and installed its second water remediation plant to a local food-processing firm in Mississauga, Ontario in January 2013.

The Company received a purchase order with New World Sanitation of South Africa to deliver 23,000 nano cartridge units for the Smartsan sanitation unit ("Smartsan"), subject to design, final completion and successful testing of the prototype unit. The nano filter inside of the cartridge has to be replaced on a yearly basis, and is expected to generate recurring revenue. The Company is currently in the final stages of the design process; once approved it will be subject to field-testing.

The remaining water remediation plants contemplated in phase 1 are being reviewed as part of a technology review being conducted by the Company. The mine tailings proof of concept discussed in phase 1 is also subject to a similar technology review. The Company plans to complete its technology review by September 2013.

After completion of the existing projects and proof of concepts, management intends to conduct a strategic review of the Company's expression of interest list, from companies in Mexico, South Africa and Canada, and select those contracts that it wants to pursue for 2014 and beyond in support of its strategic plan.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

OVERALL PERFORMANCE

The Company is currently in the process of commercializing its water technologies and tailings proof of concept with minimal operating income. The Company has no earnings and therefore finances these production and development activities by the sale of shares. The key determinants of the Company's operating results are the following:

- success of its commercialization and development programs and putting these into production;
- the state of capital markets, which affects the ability of the Company to finance its commercialization and development activities;
- the market price of gold and precious metals; and
- political and social issues which have affected and could further affect the ability of the Company to conduct development activities on its projects in Mexico and the South Africa and other jurisdictions where the Company might operate in.

Board Changes

On June 20, 2013 Lance Morginn resigned as a director and Bundeep Singh Rangar was appointed as director and Chairman of the board of directors.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

SUMMARY OF QUARTERLY REPORTS

The table below presents selected financial data for the Company's most recently completed quarter and nine months ended June 30, 2013, all prepared in accordance with IFRS.

Key Statistics

	3 months ended	9 months ended
	June 30	June 30
	2013	2013
	\$	\$
<i>Statement of Operations</i>		
Revenue	0	35,400
Gross profit	0	7,488
<i>Deficit and Cash Flow</i>		
Reverse takeover transaction cost	7,961,833	8,312,845
Net loss	(9,104,189)	(10,982,161)
Basic and diluted loss per share	(0.12)	(0.14)
<i>Financial Position</i>		
Total Assets	5,173,706	768,788

The significant increase in Assets are mostly due to Cash deployed to complete the commercialization of two water remediation plants and one mine tailing plant. Over the last nine months operational expenses increased due to significant reverse takeover transaction costs and non-cash stock based compensation.

BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013

CONSOLIDATED RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of Quarterly results (for the three and nine months ended June 30, 2013), conform to IFRS standards.

	3 months ended		9 months ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	\$	\$	\$	\$
Revenue	-	-	35,400	-
Cost of revenue	-	-	27,912	-
	-	-	7,488	-
Expenses				
Professional fees, consulting and advisory	161,921	99,684	335,530	99,684
Salaries and wages	212,903	138,914	810,668	138,914
Share based payments	256,500	-	256,500	-
Office	34,232	97,969	355,637	97,969
Travel and Lodging	47,224	51,216	235,249	51,216
Meals and entertainment	11,560	-	49,330	-
Advertising and promotion	64,321	13,118	104,313	13,118
Research and development	119,127	-	254,755	-
Transfer agent and filing fees	9,887	-	9,887	-
Insurance	18,831	3,051	32,884	3,051
Depreciation and amortization	53,720	-	68,720	-
Freight and shipping	-	193	7,545	193
Bank service charges	765	460	3,009	460
Exchange gain or loss	(1,904)	-	(494)	-
	989,086	404,606	2,523,534	404,606
Loss before finance expense	(989,086)	(404,606)	(2,516,045)	(404,606)
Finance expense				
Interest expense	153,270	-	153,270	-
Reverse takeover transaction costs	7,961,833	-	8,312,845	-
	8,115,103	-	8,466,115	-
Loss and comprehensive loss	(9,104,189)	(404,606)	(10,982,161)	(404,606)
Basic and diluted loss per share	(0.12)	(404,606)	(0.14)	(404,606)
Weighted average number of common shares outstanding	78,040,802	1	78,040,802	1

As the Company is still in the research and development stage, the Company has incurred significant operating losses since inception. In the current quarter ended June 2013, the operating loss increased significantly due to stock-based payments and the reverse takeover transaction costs. Most of aforementioned costs are non-cash transactions. The Company expects the loss will continue until the Company is successful in completing its research and development efforts including the installation of two water remediation plants.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

For the Three Months Ended June 30, 2013

The Company's net loss for the quarter was \$9,104,189 compared to the loss of \$404,606 for the same quarter of last year. The increase in loss of \$8,699,583 was primarily due to the following:

- a) Professional fees, consulting and advisory of \$161,921 (2012 - \$99,684) included engineering, scientific, general corporate legal, audit and accounting fees for the period. The increase was primarily due to legal and audit fees relating to the completion of the amalgamation during the quarter; and
- b) Salaries and wages were \$212,903 (2012 - \$138,914), an increase of \$73,989 compared to same quarter of last year. The increase was mainly due to the increase in production and engineering activities; and
- c) During the quarter the Company issued stock options to certain directors, officers and consultants of the Company resulting in non-cash charge of \$256,500 (2012 – nil) to stock based compensation expense; and
- d) Advertising and promotion fees were \$64,321 (2012 – \$13,118), an increase of \$51,203 compared to same quarter of last year. The increase was due to corporate website development and promotional activities; and
- e) Research and development costs of \$119,127 (2012 – nil) include scientific and engineering costs, as well as an increase in patent management, principally patent application and maintenance costs, as a result of the increased size and breadth of our patent portfolio; and
- f) Insurance for the period was \$18,831 (2012 - \$3,051), the increase was increased directors and officers insurance along with a general increase in rate; and
- g) Reverse takeover transaction costs of \$7,961,833 (2012 - nil), include fee, legal and professional fees and elimination of Golden Cross Resources Inc. opening retained earnings related to the amalgamation activities.

For the Nine months Period Ended June 30, 2013

The Company's net loss for the period was \$10,982,161 compared to the loss of \$404,606 for the same period of last year. The increase in loss of \$10,577,555 was primarily due to the following:

- a) Professional fees, consulting and advisory of \$335,530 (2012 - \$99,684) include engineering, scientific, general corporate legal, audit and accounting for the period. The increase was primarily due to legal and audit fees relating to the completion of the amalgamation during the quarter; and
- b) Salaries and wages were \$810,668 (2012 - \$138,914), an increase of \$671,754 compared to same period of last year. The increase was mainly due to the increase in production, engineering and accounting activities; and
- c) During the year the Company issued stock options to certain directors, officers and consultants of the Company resulting in non-cash charge of \$256,500 (2012 – nil) to stock based compensation expense; and
- d) Advertising and promotion fees were \$104,313 (2012 – \$13,118), an increase of \$91,195 compared to same period last year. The increase was due to corporate website development, promotional and investor relation activities; and
- e) Research and development costs of \$254,755 (2012 – nil) include scientific and engineering costs related to the commercialization efforts of the technology, as well as an increase in patent management, principally patent application and maintenance costs, as a result of the increased size and breadth of our patent portfolio; and

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

For the Nine months Period Ended June 30, 2013 (cont.)

- f) Insurance for the period was \$68,720 (2012 - nil), the increase was due to establishment of directors and officers insurance along with a general increase in rate; and
- g) Reverse takeover transaction costs of \$10,982,161 (2012 - nil), include finders fee, legal and professional fees and elimination of Golden Cross Resources Inc. opening retained earnings related to the amalgamation activities.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise commercialization and development programs depending on its working capital position.

In June 2013, 45,000 warrants were exercised for proceeds of \$16,200. Issue and outstanding warrants at June 30, 2013 were 16,388,722 with exercise prices of \$0.20, \$0.36, and \$0.38 (post consolidated) (\$0.10, \$0.18 and \$0.19, pre-consolidated).

In May 2013, the Company granted 950,000 stock options at an exercise price of \$0.40. These options vested immediately. Issued and outstanding stock options at June 30, 2013 remained at 950,000.

At June 2013, the Company's working capital was \$1,585,039 (September 30, 2012 - \$(1,238,805)). As of the date of this MD&A, the Company has no outstanding commitments other than its on-going trade payable, and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company has sufficient working capital at this time to meet its ongoing financial obligations.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended June 30, 2013, the Company had the following related party transactions:

- (a) The following amounts due from related parties:

	June 30	September 30
	2013	2012
	\$	\$
Blue Gold Holdings Ltd.	354,298	189,302

The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

TRANSACTION WITH RELATED PARTIES (cont.)

(b) Gross compensation of management personnel during the nine months ended June 30, 2013 and 2012:

	June 30 2013 \$	June 30 2012 \$
Consulting fees paid to David Rowson, CEO (effective date of CEO, May 29, 2013)	5,000	0
Consulting fees paid to Alfredo Albi, CFO	114,700	0

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the nine months ended June 30, 2013.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates were used in the preparation of the financial statements. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Please refer to note 3 to the interim consolidated financial statements.

ACCOUNTING POLICIES

Accounting standards issued but not yet effective

Several new standards, interpretation and amendments to existing standards have been issued by the IASB and IFRIC that are mandatory but not yet effective for the period ended June 30, 2012, and have not been applied in preparing these financial statements. Many of these are not applicable or inconsequential to the Company and have been excluded from the discussion below. The Company is currently assessing the impact of standards that may be applicable on the financial statements.

The following standards or interpretations have been issued by the IASB and IFRC and are effective in the annual period beginning on or after the date shown:

IFRS 7	<i>Financial Instruments: Amendment Regarding Offsetting Financial Assets and Financial Liabilities</i>	January 1, 2013
IFRS 9	<i>Financial Instruments</i>	January 1, 2015
IFRS 13	<i>Fair Value Measurements</i>	January 1, 2013
IAS 32	<i>Financial Instruments: Offsetting Financial Assets and Financial Liabilities</i>	January 1, 2014
IFRS 10	<i>Consolidated Financial Statements</i>	January 1, 2013
IFRS 11	<i>Joint Arrangements</i>	January 1, 2013

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

IFRS 12 *Disclosure of Interest in Other Entities*

January 1, 2013

Accounting standards issued but not yet effective (cont.)

IFRS 10 – Consolidated Financial Statements (“IFRS 10”)

IFRS 10 Consolidated Financial Statements: This standard will replace IAS 27 Consolidated and Separate Financial Statements (“IAS 27”) and SIC-12 Consolidation – Special Purpose Entities (“SIC-12”). Concurrent with IFRS 10, the IASB issued IFRS 11 Joint Ventures (“IFRS 11”), IFRS 12 Disclosures of Involvement with Other Entities (“IFRS 12”), IAS 27 Separate Financial Statements, which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; IAS 28 Investments in Associates and Joint Ventures (“IAS 28”), which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013. The Company has not yet evaluated the impact on the financial statements as a result of adopting this Standard.

IFRS 13 - Fair value measurement (“IFRS 13”)

IFRS 13 Fair Value Measurements: This standard defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. The Company will start the application of IFRS 13 in the consolidated financial statements effective from January 1, 2013. The Company has not yet evaluated the impact on the financial statements as a result of adopting this Standard.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial asset and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below.

FINANCIAL RISK MANAGEMENT

For a detailed description of financial instruments and their associated risks, see Note 15 to the Company's condensed interim consolidated financial statements for the nine months ended June 30, 2013.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

BUSINESS RISK AND UNCERTAINTIES

Water Remediation and Tailings Processing

The success of the new business of water remediation and tailings processing depends on many factors such as increased competition; evolving business model; proprietary protection; infringement of third parties' rights; reliance on certain distributors; foreign operations; product liability; lengthy and complex sales cycle; product concentration; conflicts of interest; market for securities and volatility of share price; unlikely payment of dividends; management growth; government regulations; reliance on key personnel and consultants; additional financing requirements and access to capital; possible failure to realize anticipated benefits of the Amalgamation; operating history; and currency risk.

Mining

The Company, like all companies in the mining sector, is exposed to a variety of risks which include title to mining interests, the uncertainty of finding and acquiring reserves, funding and developing those reserves and finding storage and markets for them. In addition, there are commodity price fluctuations, interest and exchange rate changes and changes in government regulations. The mining industry is intensely competitive and the Company must compete against companies that have larger technical and financial resources. The Company works to mitigate these risks by evaluating opportunities for acceptable funding, considering farm-out opportunities that are available to the Company, operating in politically stable countries, aligning itself with joint venture partners with significant international experience and by employing highly skilled personnel. The mining industry is subject to extensive and varying environmental regulations imposed by governments relating to the protection of the environment and the Company is committed to operate safely and in an environmentally sensitive manner in all operations. Please also refer to Forward Looking Statements.

OTHER INFORMATION

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Going concern

These condensed unaudited interim 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 operations for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing on reasonable terms and to attain profitable operations and further fund operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate additional financing in the future, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of operations, the net realizable value of its assets may be substantially less than the amounts recorded on the statements of financial position. These condensed unaudited interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

There is significant doubt about the Company's use of the going concern assumption as the Company does not currently have revenue-generating assets and has a working capital of \$1,585,039 as at June 30, 2013 (deficit of \$-806,535 – September 30, 2012) and has incurred losses to date of \$10,982,161 (\$806,536 – September 30, 2012). Furthermore, unlike the water treatment business, there is some uncertainty as to whether the Company's use of nanotechnology solutions can economically recover precious metals from mine tailings and therefore there is doubt as to future income and cash flows from operations.

**BLUE GOLD WATER TECHNOLOGIES LTD.
(FORMERLY GOLDEN CROSS RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended June 30, 2013**

Going concern (cont.)

The Company estimates that it has sufficient working capital to cover administrative expenses for the next twelve months. The Company is actively pursuing funds for project development and to cover other expenses. In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets could be subject to material adjustment. Furthermore, certain market conditions may cast significant doubt upon the validity of the going concern assumption.

These financial statements do not reflect any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statements of loss and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

INVESTOR RELATIONS

The Company is currently managing investor relations internally.

EVENTS SUBSEQUENT TO JUNE 30, 2013

- a) On August 9, 2013 the Company announced the appointment of Dr. Lee D. Wilson as the first member of the Company's Advisory Board. The Company is establishing an Advisory Board of eminent individuals to assist with science, technology, governance and business development.
- b) On August 14, 2013 the Company announced the appointment of Mr. Gerald Garavuso and Mr. George J. Roller as Consulting Engineers effective immediately to boost the company's engineering capabilities.
- c) On August 29, 2013 the Company announced the appointment of Mr. Bundeep Singh Rangar as its interim Chief Executive Officer (CEO). Mr. Rangar has replaced Mr. David Rowson as CEO. Mr. Rangar, who is also the Chairman of the Board, will take on the CEO's role on an interim basis while the Company searches for a permanent replacement.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Common shares – 78,040,802
Stock options – 950,000
Warrants – 16,388,722