

THE ATTACHED AUDITED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of October 29, 2012

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the years ended June 30, 2012 and 2011; together with the corresponding notes of Bama Gold Corp. (the "Company"). This MD&A covers the year ended June 30, 2012 and the subsequent period up to the date of filing.

The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This is the first time that the Company has prepared its financial statements in accordance with IFRS, having previously prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

Corporate Overview

Bama Gold Corp. (the "Company") was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Bama Gold Corp became effective December 13, 2011. The Company's head office is located at Suite 1450 - 701 West Georgia Street, Vancouver, British Columbia.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at June 30, 2012, the Company has accumulated a deficit of \$8,007,810 (2011 - \$6,908,113) since inception.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company’s activities would reveal this. And there is nothing to suggest that these trends will change.

The company’s sole activity is its search for mineral resources.

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company. The Company’s annual financial results at June 30, 2012 and 2011 have been prepared in accordance with IFRS. As the Company’s IFRS transition date was July 1, 2010, the summarized annual financial results as at and for the year ended June 30, 2010, have not been restated and have been prepared in accordance with Canadian GAAP.

		Year ended		
		June 30, 2012	June 30, 2011	June 30, 2010
Operating Revenue	\$	0	0	0
Net income (loss)	\$	(1,099,697)	(653,140)	(1,133,909)
Income (Loss) per share	\$	(0.06)	(0.08)	(0.19)
Share capital	\$	8,183,326	7,057,786	5,060,893
Common shares issued		21,726,111	12,698,334	5,892,780
Weighted average shares outstanding		18,483,037	8,223,449	5,852,259
Total Assets	\$	1,280,900	1,160,683	377,209
Net Assets (liabilities)	\$	805,070	679,737	109,741
Cash Dividends Declared per Common Shares	\$	0	0	0

Operations Overview

Manalo/Mansaya Property

Pursuant to an Assignment Agreement dated as of September 9, 2011, the Company agreed to acquire all of the rights of the Optionee in an Option Agreement dated February 20, 2009 between Delta Exploration (“Optionor”) and Appleton Exploration Inc. (“Optionee”); in consideration for the Assignment the Company agreed to pay to Appleton \$250,000 (paid) and to issue 1,000,000 common shares (issued) on receipt of all necessary consents and regulatory approvals. Under the Option Agreement, the Optionee has the right to earn a 100-per-cent interest in the Manalo/Mansaya gold project, located in the Republic of Mali, Africa, subject to the retention of a 2-per-cent net smelter return (NSR) royalty by Delta. The Optionee may earn an initial 65-per-cent undivided interest in the project by incurring exploration expenditures on the property totaling \$2.5-million (U.S.) prior to April 1, 2013, of which \$2,353,500 (U.S.) has been incurred to date. The Optionee may earn the remaining 35-per-cent interest in the project by making a one-time cash payment of \$1.5-million to Delta. At Delta's option, Delta may elect to receive the payment in the equivalent value of units issued by the Optionee. The Optionee must also deliver an independent feasibility study or arrange for production financing prior to April 1, 2017. The Optionee has the option to purchase one-half of the NSR (1 per cent) for \$1-million within the first 12 months of production.

Delta Exploration is an operating division of Rockgate Capital Corp., a Toronto Stock Exchange-listed company which has directors in common with the Company. Delta remains the operator of the Manalo/Mansaya Property.

Permit Status

The Manalo/Mansaya Project comprises 6 contiguous permits covering 239 square kilometres of highly prospective Birimian terrane. Delta Exploration Mali SARL (Delta Mali), a 100%-owned Malian subsidiary of Delta Exploration Inc. (Delta), holds

the Manalo, Mansaya, and Balandougou Sud permits and has filed a renewal application on the Balandougou permit. Two new permit applications were made; at Nougani (the west half of the former Manalo permit) and at Sotolo (the south half of the former Balandougou permit).

The original Manalo permit issued on June 2, 2005 and covering 150 km², was valid for a period of 3 years, renewable twice, subject to a 50% reduction in the surface area with each renewal. Following reapplication in June 2008, the reduced Manalo permit, covering 75 km², was issued on December 31, 2008. The reduced Manalo permit expired on December 31, 2011. Delta Mali applied to have the permit renewed according to the Malian Mines Code and it was awarded to Delta Mali on March 16, 2012. Delta Mali reapplied for the ceded western half under the name “Nougani”. The Mansaya permit covers 71 square kilometres of the original ceded Manalo permit and was awarded to Delta Mali on May 13, 2010 for 3 years, renewable twice.

The original Balandougou permit was issued to Société EURL Diawara SARL on January 18, 2006. Following the granting of the permit, Delta Mali signed an agreement with EURL Diawara to acquire 100% of the latter’s interest in Balandougou. The original permit expired in January 2009 but Delta Mali reached an agreement with EURL Diawara to have the latter transfer the retained 50% of the original permit (Balandougou) to Delta Mali. Delta Mali received notice by arrete on August 3, 2010 that the transfer was completed. The Balandougou permit has subsequently expired. Delta Mali has filed to retain the north half of the permit area and applied for the south half under the new permit name “Sotolo”. Delta Mali was granted the Balandougou Sud permit on March 30, 2011 for 3 years, renewable twice.

Table 1 Manalo/Mansaya Project Permits

Permit	Area	Permit Holder/Applicant	Convention	Arrete	Date Issued	Expires
Manalo	37.5	Delta Mali	10-Jan-05	12-0981	16 Mar-12	02-Jun-14
Nougani	37.5	Delta Mali	Under Application			
Mansaya	71.0	Delta Mali	29-Mar-10	10-1288	13-May-10	13-May-13
Balandougou	37.5	Delta Mali	29-Mar-10	12-2472	17-Aug-12	17-Aug-15
Balandougou Sud	46.0	Delta Mali	29-Jan-11	11-1321	30-Mar-11	30-Mar-14
	229.5	Km²				

Recent Exploration Activities

In February and March, 2012, a soil geochemical and regolith mapping program was completed on the Balandougou Sud permit. Approximately 2358 soil samples were collected and sent to ALS-Bamako for gold geochemical analysis. Results are pending and will be used to plan the next phase of exploration on the permit. In the period since the military coup d’état on March 22, 2012 the Company has focused its efforts on desktop studies of the Manalo/Mansaya Property.

In October 2011, a soil geochemical sampling and regolith mapping program was completed on the Balandougou permit. Results for the 2236 samples analyzed were received and plotted, displaying moderate geochemical anomalies scattered throughout the permit area, but concentrated over the north half.

In November 2011, the Dialafara and Mansaya trenches were cleaned up, mapped and sampled. Results indicate near-surface gold in one trench at Dialafara.

Historic Exploration Activities

In 2004, 1,071 soil samples were collected by PDRM staff at 50 metre intervals along east-west lines spaced 200 metres apart over a survey area of 10 square kilometres covering the Manalo NE Prospect. (The PDRM is a Department of the Republic of Mali’s Ministry of Mines). A northwest-trending gold anomaly can be followed for 2 kilometres and is open to the northwest and southeast. The anomaly is strongest over a 300 metre long zone of artisanal workings at the northwest end of the anomaly.

Immediately to the east on the Balandougou Permit, 600 samples were collected by PDRM staff at 100 metre intervals along east-west lines spaced 400 metres apart, covering an area of approximately 21.6 square kilometres.

In May 2006, 37 aircore drill holes totalling 2,732 metres were completed across the Manalo NE Prospect on sections spaced at 40 metres along the axis of the workings; however, holes over the northern 200 metres of the trend were collared too far east to intersect the zone. Aircore drilling was limited to the weathered saprolite horizon. Holes end at “blade refusal” where the blade bit will not cut the hard rock. Nonetheless, drilling was very successful in locating a subvertical, Au-bearing vein structure over a strike length of 200 metres.

The PDRM, under the supervision of M Consulting, a geological consultancy based in Bamako, conducted a program of geochemical and geomorphologic surveying over the Manalo permit between March 31 and April 27, 2007. PDRM crews collected 3,838 soil samples on 200 metre by 200 metre spacing. Sixteen rock samples were also collected in conjunction with pedological mapping and identification of artisanal mining sites on the permit. All samples were analyzed at the ALS Abilab facility in Bamako. Four areas of anomalous gold were identified from interpretation of gold-in-soil geochemical data: Miria (Dialafara), Mansaya, Sirabada, and SE Anomaly. In addition, a number of sites of artisanal placer mining were identified including: Sirabada-Bankole, Mansaya, Manalo SE, Dialafara, and NE Manalo. Targets were ranked based on the presence and type of artisanal activity, regolith, and strength of the gold-in-soils anomaly.

Spectrem Air Limited conducted an airborne geophysical survey over the Manalo-Balandougou permits between March 31 and April 27, 2007. A total of 2,250 line-kilometres of electromagnetic, magnetic, and radiometric survey was completed, outlining a detailed picture of the geology including folding and faulting, granitic intrusions, and volcano-sedimentary units.

After the wet season, a drill campaign was launched to test several target areas identified by the geophysical and geochemical programs. A total of 5,033 metres of reverse circulation (RC) drilling in 51 holes was completed at Manalo NE, Mansaya, Sirabada, and Dialafara prospects. The first of two new gold discoveries was made at Dialafara, where the initial two holes intersected 9.57 g/t Au over 9.0 metres and 29.07 g/t Au over 6.0 metres at the end of MDL-07-001 and MDL-07-002, respectively. A second discovery was made at Mansaya, where two holes intersected 1.96 g/t Au over 5.0 metres and 0.69 g/t Au over 31.0 metres, including 1.01 g/t Au over 12.0 metres, respectively. In addition, 14 of 20 holes drilled on the Manalo Nord Est structure returned significant gold values, including 12.06 g/t Au over 6.0 metres in MMN-07-12, extending the zone to the northwest and southeast.

Early in 2008, 20 line-kilometres of gradient IP (Induced Polarization) geophysics were split between Sirabada and Dialafara. Two 950-metre lines of High Resolution Induced Polarization (HIRIP) were completed at Mansaya and two more at Dialafara Nord. IP was successful in identifying high chargeability targets.

Also in 2008, a program of soil geochemistry generated 4,462 samples collected from five “infill” grids. Samples were collected at 50-metre intervals along lines spaced every 100 metres. Results highlighted numerous anomalous zones in the Dialafara, Dialafara Nord, Sirabada, Mansaya, and Manalo SE areas. Geoter Mali SARL completed a study of the structural geology of the Manalo area, which was incorporated with IP and soil geochemical results to generate targets tested in the 2008 RC drill program.

From April to June, 2008, 7,340 metres of RC drilling in 69 holes were completed on several targets in the Dialafara, Dialafara Nord (Miria), Mansaya, Manalo SE, and Sirabada prospect areas. At Dialafara, drilling highlights included 1.61 g/t Au over 16.0 metres in MDL-08-032 associated with quartz veining in graphitic mudstones. In MDL-08-036, an upper zone assayed 2.26 g/t Au over 10.0 metres and a lower zone assayed 15.64 g/t Au over 16.0 metres, including 42.58 g/t Au over 4.0 metres. At Miria, the best intersection assayed 2.55 g/t Au over 5.0 metres. At Mansaya, significant results include 0.80 g/t Au over 27 metres in MMS-08-008 and 1.28 g/t Au over 7 metres in MMS-08-009.

Three holes, MDN-08-08C, MDL-08-39C, and MDL-08-40C, are RC and core tail composite holes. MDN-08-08C was collared at Miria but failed to intersect the quartz structure at depth. MDL-08-039C was collared east of the southernmost orpillage at Dialafara, drilling to depth under the workings. The hole intersected some quartz-rich structures but very low grades. Finally, MDL-08-040C was collared east of MDL-08-032 but was abandoned at 112.6 metres due to poor ground and deteriorating weather conditions.

In the spring of 2009, 13 RC holes tested the northern segment of the Dialafara Prospect where recent artisanal mining covers a strike length of approximately 200 metres. The objective of this drilling was to demonstrate zone and grade continuity among the several isolated successful RC intercepts. Drilling at the north end of the northern segment confirmed the presence of gold mineralization discovered in 2008. MDL-09-042 intersected 7.5 metres grading 2.50 g/t Au. MDL-09-056 intersected an upper interval grading 0.75 g/t Au (640.19 g/t Au in original fire assays) over 3.0 metres and 0.92 g/t Au over 4.8 metres immediately under MDL-09-036. Approximately 500 metres further south, MDL-09-049 scissored MDL-08-032, yielding 11.0 metres averaging 0.46 g/t Au. Drilling between these sites shows some continuity although gold grades are highly variable. Seven holes were extended by diamond core tails to provide structural information.

Five RC drill holes tested a 250-metre strike length of a northwest-trending structure identified in new artisanal workings at the southern segment of Dialafara, adjacent to the areas tested by drilling in 2007 and 2008. The objective of this drilling was to demonstrate zone and grade continuity. All 5 holes were successful in delineating a northwest-trending mineralized structure in the coarse quartz sandstone to micro-conglomerate immediately west of the variably graphitic mudstones. Highlights include 0.95 g/t Au over 17.0 metres in MDL-09-54 and 0.55 g/t Au over 12.0 metres in MDL-09-53.

Five fences of angled aircore drill holes were spaced at 200-metre intervals across the southern portion of Dialafara soil geochemical anomaly with the objective of identifying new gold-bearing structures and developing a geological context to improve zone correlations. Fifty-four holes totalling 3,227 metres, averaging almost 60 metres per hole. Multiple zones of quartz veining were intersected but with only a few anomalous gold values. Unfortunately, the northwest-trending structure identified in RC drilling appears to trend to the west of the three northern fences.

An east-facing fence of aircore drilling consisting of 582 metres in 11 angled aircore drill holes tested the northern projection of mineralization from the northern segment of the Dialafara Prospect. Strong soil geochemical anomalies mark the projection. Anomalous gold values were intersected in the western drill holes. Several kilometres to the east, two more aircore fences were totalling 806 metres in 30 drill holes tested an area of relatively anomalous soil geochemistry called the Dialafara NE Anomaly.

Exploration drilling in 2010 sought to build upon the successes of the 2009 program. Much of the focus turned to Dialafara South with 29 RC drill holes completed along the interpreted contact between coarse-grained sandstone (SSSq) and fine-grained mudstones (SSI). Several long intervals of gold mineralization were intersected along the contact and in the mudstones at the south end. Highlights include 0.95 g/t Au over 61.0 metres in MDL-10-086 and 1.62 g/t Au over 53.0 metres in MDL-10-099. In all, 37 RC drill holes totalling 4300 metres and 67 aircore holes totalling 3771 metres were completed at Dialafara North and South.

In 2010, 52 aircore drill holes were completed in a collar to toe arrangement along several east-west lines between the Mansaya Nord and Sud areas. No significant gold mineralization was identified in the aircore program but the lines did not test extensions to known mineralized structures. Two short trenches were excavated by hand in 2010 and mapped and sampled in late 2011. Quartz structures were noted in the laterite but no significant gold anomalies were detected.

Also in 2010, a series of 29 aircore drill holes were completed at the Sirabada Prospect, totalling 2103 metres targeted structures west of the main structure and did intersect gold mineralization. Highlights included 0.88 g/t Au over 10.0 metres in MSAC-10-009, 2.29 g/t Au over 4.0 metres in MSAC-10-019, and 0.77 g/t Au and 0.79 g/t Au over 8.0 metres and 9.0 metres, respectively in MSAC-10-020.

Turner Lake Property

On May 1, 2008 the Company entered into an Assignment Agreement with its then parent company, Rockgate Capital Corp. (“Rockgate”), whereby Rockgate assigned all of its’ right and title to an Option Agreement dated November 8, 2007 between Rockgate and Trade Winds Ventures Inc. (“Trade Winds”) regarding the Turner Lake Property. Under the Trade Winds Option the Company can earn up to a 75% interest in the Turner Lake Gold property located near Bathurst Inlet, Nunavut; an initial 65% interest in the project can be earned by spending \$1,000,000 in exploration expenditures by March 19, 2009 (incurred) and by Rockgate’s issuance of 150,000 common shares of Rockgate (issued); an additional 10% interest could be earned by spending an additional \$500,000 (incurred) on exploration prior to March 19, 2010 and by Rockgate’s issuance of an additional 250,000 shares (issued); and by the Company’s issuance of 16,667 shares (issued) to Trade Winds. In consideration of the assignment the Company issued to Rockgate 34,200 units of the Company’s capital stock valued at \$2.50

per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at \$3.75 until expiry on September 30, 2010.

Effective March 19, 2009 the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property.

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 170,000 common shares of the Company valued at \$68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for \$1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party. The Company was unable to verify its title to one of the four claims comprising the Turner Lake property during the year ended June 30, 2012. As a result, the Company recorded an impairment loss of \$40,875.

Exploration Activities

The Turner Lake Property consists of the HA 1-4 mineral claims which overlie an area of approximately 29.0 sq km containing three known mineral occurrences known as the Main Gold Showing, Turner East Gold and Nickel Knob Showing, all of Archean age.

Historic exploration activity at Turner Lake focused on geological mapping, limited airborne and ground-based geophysics, extensive trenching, and a total of 21 diamond drill holes. Detailed chip, channel, muck, and bulk sampling have effectively mapped the distribution of gold and true thickness throughout the surface exposure of the mineralized trend, describing at least 3 high-grade “shoots” of gold mineralization.

In 2008 Bama Gold completed an NQ diamond drilling program totaling 21 holes in 2,894.04 metres from June 23 to August 17. On the Turner Lake Main Gold Showing, 16 diamond drilling holes undertaken, two were abandoned in overburden before reaching target depth for a total of 2,284.32 metres completed. The remaining 5 holes tested the Nickel Knob Showing in 609.72 metres. Semi massive to massive sulphide mineralization was discovered in the drill core up to 14 metre core lengths. The massive sulphide consists mainly of pyrrhotite, pyrite, chalcopyrite, pentlandite with minor galena, sphalerite and arsenopyrite mineralization. Assay results confirmed high concentrations of copper, nickel, silver with lesser lead, zinc, gold and traces of platinum and palladium.

In April 2009, the Company completed a fuel haul of 25,000 litres of diesel and Jet A fuel from Yellowknife to Bathurst Inlet in anticipation of the 2009 exploration season. Crews were mobilized to Bathurst Inlet in mid- July to set up operations and exploration work was begun. Bama Gold's 2009 diamond drilling program totaling 9 holes in 1,181.72 metres was conducted on the Turner Lake Property Main Gold showing from July 26 to August 04.

The geological team concluded that the drill program has confirmed that the Main gold zone has good continuity along strike and down-dip and, as found in all previous drilling, significant gold mineralization occurring within a brecciated, meta-greywacke enclosed within ultramafic volcanics. Visible gold was noted in eight of the nine holes completed.

Due to financial constraints and a lack of working capital, the planned summer 2010 exploration program was delayed until 2011. The fuel haul in anticipation for 2010 work was completed and that fuel was used in the 2011 work program.

The summer 2011 exploration program was completed between July and September 2011 and encompassed detailed soil geochemical sampling and analysis over the Main Gold Zone and further mapping of the Turner Lake property. The purpose of the soil survey was firstly to identify if soil geochemistry surveys can identify the location of the gold zone and secondly what elements represent its soil geochemical signature. If successful then more extensive soil sampling surveys may be undertaken over the property in areas with the potential to host gold mineralization based on previous geological mapping. Results of the 2011 program continue to be reviewed at this time.

During the year ended June 30, 2012, reclamation work was performed on the Bathurst Inlet Property and Turner Lake Property and the reclamation bonds totalling \$150,000 were released (\$75,000 for each property).

Bathurst Inlet Property

On May 1, 2008 the Company entered into an Assignment Agreement with its then parent company, Rockgate, whereby Rockgate assigned all of its' right and title to an Option and Agreement of Purchase and Sale dated May 3, 2007 between Rockgate and Bathurst Inlet Developments (1984) Ltd. regarding the Bathurst Inlet Property. In consideration of the Assignment Agreement the Company issued to Rockgate 3,000,000 units of the Company's capital stock valued at \$0.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at \$0.75 per share until expiry on September 30, 2010. Subsequent to the assignment transaction closing, the Company exercised the purchase option under the underlying May 2007 agreement. To conclude the purchase the Company issued a limited recourse promissory note in the amount of \$1,460,000. Pursuant to the note, the balance of the payments due to the vendors were payable over a six-year period and the vendor's recourse in the event of a default under the note will be limited to the recovery of the Bathurst Inlet claims. Periodic payments under the note were to be made by the Company from its working capital.

Based upon the results from the 2008 exploration season, in May 2009 the Company decided to discontinue its ownership of the Bathurst Inlet property. Under the terms of the promissory note the mineral rights to the property were allowed to revert to Bathurst Inlet Developments (1984) Ltd.

As a result of the above, with effect as of June 30, 2009, the Company recorded an impairment of its Bathurst Inlet property of \$1,807,730; and recorded the termination of the Note payable less discount, thus reducing the carrying value to its estimated net recoverable amount of \$nil. Concurrently the Company removed the promissory note obligation from its balance sheet.

Management had estimated that the amount of its site restoration obligation for the Bathurst property as at June 30, 2011 totals \$20,000. A site reclamation obligation of this amount had been recognized as a liability. As the mineral property to which the costs relate has been written off in previous years, the reclamation costs are recorded in the statement of operations, comprehensive loss and deficit.

Results of Operations

Fiscal year ended June 30, 2012

During the year ended June 30, 2012, the Company incurred expenses of \$1,221,661 [2011: \$654,115]. The bulk of the expenses in the current period were related to exploration and drilling, which rose to \$627,305 versus \$72,082 in the corresponding 2011 period. The non-cash charge of \$99,490 for share-based compensation in 2012 reflected a grant of stock options in the period and a decrease from the \$126,263 figure in 2011. Additionally, in 2012 the Company recorded a non-cash impairment charge against the Turner Lake property of \$40,875. In the period the Company generated interest income of \$10,957 [2011: \$975] on its cash reserves; and recorded a recovery of the \$20,000 expense previously accrued for reclamation costs.

General administrative expenses increased to \$66,177 from \$35,402 in 2011 and management fees were generally consistent with the previous period. Professional fees did rise to \$36,928 from \$21,528 in 2011 as a reflection of the services required to secure the rights to the Manalo/Mansaya Property. The Company will use its available resources to pursue its operations at the Manalo/Mansaya and Turner Lake properties as applicable.

Fiscal year ended June 30, 2011

During the year ended June 30, 2011 the Company incurred expenses of \$654,115 [2010: \$1,137,057] which in 2011 were primarily composed of head office expenses and exploration expenses related to preparation for the 2011 summer exploration program. In the 2010 period an exploration and drilling program were completed; and fees related to the professional services required to complete the acquisition of Trade Winds interest in Turner Lake; and the accounting work required and meet regulatory requirements.

Fluctuations in Results

The exploration increase was primarily due to the fact that the Company did engage in an active exploration program during the period.

Liquidity and Capital Resources

As at June 30, 2012 the Company had accumulated losses totaling \$8,007,810 versus \$7,057,786 at the June 30, 2011 year-end; and total liabilities of \$475,830 compared with \$480,946 at the June 30, 2011 year-end. As at June 30, 2012 the Company had working capital of \$277,445 compared with \$366,237 as at June 30, 2011.

As at June 30, 2012 the Company had cash and equivalents on hand of \$712,878.

During the period the Company completed a non-brokered private placement of eight million units at \$0.125 per unit for proceeds of \$1-million on November 10, 2011. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share in the capital of the Company at an exercise price of \$0.165 per share until expiry on November 10, 2012. The net proceeds from the private placement were added to the Company's working capital. A finder's fee of \$20,325 was paid in connection with the private placement.

During the fiscal 2011 year the Company completed two non-brokered private placements. The proceeds of the private placements will be used for operations at the Bama Gold's Turner Lake project and for general corporate purposes. The first private placement consisted of 1,250,000 flow-through units at \$0.20 per unit for proceeds of \$250,000, where each flow-through unit was comprised of one flow-through common share plus one common share purchase warrant. Each warrant is exercisable into one common share with an exercise price of \$0.24 per share until expiry on February 25, 2012. The second private placement consisted of 5,555,555 units at \$0.18 per unit for proceeds of \$1-million, where each unit was comprised of one common share plus one common share purchase warrant. Each warrant is exercisable into one common share with an exercise price of \$0.24 per share until expiry on February 25, 2012.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		IFRS	IFRS	IFRS	IFRS	Canadian GAAP	Canadian GAAP	Canadian GAAP	Canadian GAAP
		3/31/2012	3/31/2012	12/31/2011	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010
Net Revenues	\$	-	-	-	-	-	-	-	-
Comprehensive loss	\$	(126,837)	(263,450)	(268,388)	(441,022)	(102,487)	(252,945)	(156,810)	(140,898)
Loss per share	\$	(0.01)	(0.01)	(0.02)	(0.03)	(0.01)	(0.03)	(0.03)	(0.02)
Share capital	\$	8,183,326	8,183,326	8,176,660	7,057,786	6,289,668	6,301,568	5,060,894	5,060,894
Common shares issued		21,726,111	21,726,111	21,698,334	12,698,334	12,698,334	12,698,334	5,892,779	5,892,779
Weighted average shares outstanding per		21,726,111	21,719,000	17,796,160	12,698,334	12,698,334	8,463,766	5,892,779	5,892,779
Total Assets	\$	1,280,900	1,621,595	1,756,906	809,141	1,160,683	1,621,402	395,270	397,923
Net Assets (liabilities)	\$	845,945	938,458	1,220,241	344,770	811,619	897,871	(187,987)	(31,177)
Dividends Declared per Share	\$	0	0	0	0	0	0	0	0

Fourth Quarter

Other than recording a non-cash impairment charge against the Turner Lake property of \$40,875; during the Fourth fiscal quarter ended June 30, 2012, there were no fourth quarter events or items that affected the Company's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments. The Company's operations are generally not seasonal.

Outlook

As is typical of the mineral exploration and development industry, Bama Gold is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. With the November 2011 acquisition of the Manalo/Mansaya property option, management believes that the Company's exploration focus will shift to West Africa.

In Mali, a military coup d'état on March 22, 2012 removed President Amadou Toumani Touré from power, and in the ensuing chaos rebels in the north, dominated by Tuareg tribesmen, took control of the country's three main northern cities. The West African country has been effectively divided in two- a northern area north of Timbuktu that is currently ungovernable and a southern portion where peace currently prevails. The Company's 2012 exploration program was disrupted because of the coup and a decision was made to remove all expatriates from Mali. Since the end of May 2012 the Manalo/Mansaya Exploration camp was placed on care and maintenance and the onsite geologists were relocated to Bamako. The original 2012 envisaged programme was subsequently modified to include data compilation and desk top reviews.

The Company expects that the geo-political situation in Mali will settle-down in due course. Once elections are scheduled and completed, a return to normal government operations should be re-established. The recent period of instability has caused certain service providers to experience significant delivery delays.

While the Company remains optimistic that further exploration will yield additional encouragement at Turner Lake, management has decided to concentrate its efforts in West Africa for the foreseeable future.

Additional Disclosure for Venture Issuers Without Significant Revenue

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues.

The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.

There is no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources.

There is no assurance that exploration for a mineral resource within any of the Company's prospects will be successful.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

Some of the Company's mineral interests are in countries that may be affected by varying degrees of political instability and the policies of other nations in respect of these countries. These risks and uncertainties include military repression, political and labour unrest, fluctuations in currency exchange rates, rates of inflation, terrorism, hostage taking and expropriation. The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company

cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the control of the Company. The Company's operations entail governmental, economic, social, medical and other risk factors common to all developing countries.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

The Company was recently incorporated, has no history of earnings, and shall not generate earnings or pay dividends in the foreseeable future.

Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the years ended June 30, 2012 and 2011, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff.
Geocon Enterprises Inc. ("Geocon")	Consulting fees for the services provided by Lorne Warner as VP Exploration.
Contact Financial Corp. ("CFC")	Rent and shared office expenses.
Rockgate Capital Corp. ("Rockgate")	A TSX listed company with common directors

Due to related parties include the following amounts:

	June 30, 2012	June 30, 2011	July 1, 2010
	\$	\$	\$
PEMC	15,000	213,850	108,664
Geocon	99,400	99,400	21,000
	<u>114,400</u>	<u>312,850</u>	<u>129,664</u>

For the year ended June 30, 2012, the Company paid \$39,053 (2011: \$30,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer and director of the Company is a significant shareholder. Pursuant to a rental agreement, the Company is required to pay \$2,500 per month and the agreement can be terminated by either party with six months' notice.

For the year ended June 30, 2012, the Company paid a total of \$360,000 (2011: \$360,000) to PEMC, a company controlled by officers of the Company for management services. Pursuant to a Management Services Agreement, the Company is required to pay \$30,000 per month, and the agreement can be terminated by either party with six months' notice.

Included in exploration and drilling expense is \$13,191 (2011: \$70,000) paid to Geocon, a company controlled by a former officer and director of the Company for geological services. During the year the consulting agreement related to these services was terminated.

Included in exploration and drilling expense is \$342,343 (2011: \$nil) accrued and payable to Rockgate, a company with common directors for the recovery of expenses pertaining to the Manalo option.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the years ended June 30, 2012 and 2011 are as follows:

	June 30	
	2012	2011
Share-based compensation	\$ 83,595	\$ 63,803

Table of Contractual Obligations

<i>Contractual Obligations:</i>	<i>Payments Due by Period</i>
<p>Management Contract with</p> <p>Pursuant to a Management Services Agreement dated as of August 1, 2008, the Company has engaged Pacific Equity Management Corporation (“PEMC”) for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company, and Kirk Gamley, an officer of the Company. The monthly management fee payable under the Agreement is \$30,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Corporate Development; Vice President-Finance, Administrator and Receptionist. The Agreement may be terminated by either party on six months’ notice. In the event the there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, “change of effective control” of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.</p>	<p>Pacific Equity Management Corp.</p> <p>\$30,000 per month</p>

<p>Rent & Office Services Contract with</p> <p>Pursuant to a Services Agreement dated as of August 1, 2008, the Company has agreed to pay to Contact Financial Inc. (“Contact”) \$30,000 per annum, payable monthly, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months’ notice.</p>	<p>Contact Financial Inc.</p> <p>\$30,000 per annum</p>
<p>Mineral Property Option with</p> <p>Pursuant to an Assignment Agreement dated as of September 9, 2011, the Company agreed to acquire all of the rights of the Optionee in an Option Agreement dated February 20, 2009 between Delta Exploration (“Optionor”) and Appleton Exploration Inc. (“Optionee”); in consideration for the Assignment the Company agreed to pay to Appleton \$250,000 (paid) and to issue 1,000,000 common shares (issued). Under the Option Agreement, the Optionee has the right to earn a 100-per-cent interest in the Manalo gold project, located in the Republic of Mali, Africa, subject to the retention of a 2-per-cent net smelter return (NSR) royalty by Delta. The Optionee may earn an initial 65-per-cent undivided interest in the Manalo gold project by incurring exploration expenditures on the Manalo gold project totaling \$2.5-million (U.S.) prior to April 1, 2013, of which \$2,353,500 (U.S.) has been incurred to date. The Optionee may earn the remaining 35-per-cent interest in the Manalo gold project by making a one-time cash payment of \$1.5-million to Delta. At Delta’s option, Delta may elect to receive the payment in the equivalent value of units issued by the Optionee. The Optionee must also deliver an independent feasibility study or arrange for production financing prior to April 1, 2017. The Optionee has the option to purchase one-half of the NSR (1 per cent) for \$1-million within the first 12 months of production</p>	<p>Delta Exploration</p> <p>Incurring US\$146,500 in exploration expenses on Manalo/Mansaya Property prior to April 1, 2013.</p>

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Critical Accounting Estimates

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, not necessarily provide a reliable single measure of the fair value of the Company’s share purchase options.

Site Restoration Obligation

The Company records a liability for its site restoration obligation in the period in which it is identified and when a reliable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost is recognized by increasing the carrying amount of the related long-lived asset. The initial fair value of the liability is accreted, by charges to operations, over the remaining life of the asset.

Accounting Changes

First time adoption of IFRS

a) Transition elections

The Company adopted IFRS on July 1, 2011, with a transition date of July 1, 2010. Under IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities taken to retained earnings (deficit) unless certain exemptions are applied.

The Company has applied the following exemptions to its opening statement of financial position dated July 1, 2010:

(i) *Share-based payments* – IFRS 1 allows that full retrospective application may be avoided for certain share-based instruments depending on the grant date, vesting terms and settlement of any real liabilities. A first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (a) the date of transition to IFRS and (b) January 1, 2005. The Company has elected this exemption as all stock options vested before July 1, 2010, the transition date.

b) Reconciliation of assets, liabilities, equity, comprehensive income and cash flows of the Company from those reported under Canadian GAAP to IFRS

The following is a summary of the significant accounting differences considered as part of the IFRS transition. And where appropriate, the quantification of the adjustments required as of the transition date and for the comparative period.

(i) *Asset impairment*- Both Canadian GAAP and IFRS require an entity to undertake quantitative impairment testing where there is an indication of impairment. Further there is a requirement under IFRS for the Company to assess whether indicators of impairment exist at the date of transition to IFRS. Unlike Canadian GAAP, IFRS requires impairment charges to be reversed if circumstances leading to the impairment no longer exist. The Company has no historic impairment charges which could be reversed as of the transition date. As at the transition date, there were no indications of impairment under IFRS identified by management, therefore no formal quantitative impairment was undertaken.

(ii) *Flow-through share adjustments* - Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as a deferred charge. When expenditures are renounced, a deferred tax liability is recognized and the deferred charge is reversed. The net amount is recognized as deferred tax expense. Under Canadian GAAP, no premium is recorded and the entire flow through proceeds are recorded as share capital, with no liability recorded for the premium.

With the application of IFRS requirements, as of the transition date, July 1, 2010, the Company recorded a net \$793,118 increase to share capital, and a premium liability of \$106,882.

To account for the flow-through placement which closed during the year ended June 30, 2011 where the funds received had not yet been expended nor renounced, as of March 31, 2011 or as of June 30, 2011, the Company recorded an incremental decrease in share capital of \$25,000 and an increased premium liability of a further \$25,000.

Additionally, in accordance with IFRS 1, an entity’s estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company’s IFRS estimates as of July 1, 2010 are consistent with its GAAP estimates for the same date.

On the conversion from GAAP to IFRS, there was no significant impact to the statements of comprehensive loss and statements of cash flows for the year ended June 30, 2011.

Future Accounting Pronouncements

Certain new accounting standards have been issued but are not yet effective. The Company has not yet evaluated the impact

of these standards on its financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded below.

IFRS 7 – Amendments to IFRS 7 Financial Instruments” Disclosures – Increase in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. The amended standard is effective for annual periods on or after January 1, 2012.

IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier application is permitted.

IFRS 11 – New standard IFRS 11 Joint Arrangements improves the accounting for joint arrangement by introducing a principle-based approach that requires a party to a joint arrangement to recognize its right and obligations arising from the arrangement. Such a principle-based approach will provide users with greater clarity about an entity’s involvement in its joint arrangement by increasing the verifiability, comparability and understanding of the reporting of these arrangements. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities-Non-Monetary Contributions by Venturers. This standard is effective for annual periods on or after January 1, 2012.

IFRS 12 – New Standard IFRS 12 Disclosure of Interest in Other Entities combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated significant entities.

IFRS 13 – Fair value measurement (“IFRS 13”) was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, in the absence of a principal market, the most advantageous market
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity’s net risk exposure
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs
- information must be provided on an entity’s valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted

IAS 1 – Presentation of financial statements (“IAS 1”) was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

IAS 28 – Amendments to IAS 28 Investments in Associates and Joint Ventures prescribes the accounting for investment in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

IFRIC 20 – New Standard IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine outlines the accounting for stripping costs.

Financial Instruments and Other Instruments

Capital Disclosure

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at June 30, 2012, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry on its planned operations.

Financial Instruments, Fair Value Measurement And Risk

a) Financial Instruments

As at June 30, 2012, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities, due to related parties, and due to Rockgate Capital Corp. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at February 29, 2012, the Company believes that the carrying values of taxes receivable and accounts payable and accrued liabilities, due to related parties, and due to Rockgate Capital Corp. approximate their fair values because of their nature and relatively short maturity dates or durations.

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$742,383 (2011 - \$659,784) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2012, the Company had working capital of \$277,445 (2011 - \$366,237). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2012 the Company has adequate working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars, US dollars, Euros, and West African CFA Franc. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data

The following table sets forth the Company’s share capital data as at October 29, 2012:

Common Shares			
-issued & outstanding	21,726,111		
Warrants	8,000,000	Exercise price: \$0.165	Expiry: 11/10/2012
Options	484,000	Exercise price: \$0.24	Expiry: 1/17/2016
Options	690,000	Exercise price: \$0.17	Expiry: 9/27/2016

Subsequent Events

None to report.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.ca