

THE ATTACHED CONDENSED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**Management Discussion and Analysis as of February 28, 2013**

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the Condensed Interim Financial Statements for the period ended December 31, 2012 and 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 period ended December 31, 2012 and the subsequent period up to the date of filing.

The Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The financial

statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended June 30, 2012. The accounting policies applied in these unaudited condensed interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as of February 28, 2013, the date the Board of Directors approved the financial statements and they are consistent with those disclosed in the annual audited financial statements.

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 December 31, 2012, the Company had accumulated a deficit of \$8,347,644 (2011 - \$7,617,523) 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 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 \$2,462,717 (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.

Delta Exploration is a wholly owned subsidiary of Rockgate Capital Corp., a Toronto Stock Exchange-listed company which has directors in common with the Company.

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 at September 30, 2011, the Company has restored the site, eliminated its site restoration obligation and recovered the amount of \$20,000 originally recognized during fiscal 2010.

Results of Operations

Fiscal period ended December 31, 2012

During the period ended December 31, 2012, the Company incurred expenses of \$342,171 [2011: \$732,763]. The bulk of the expenses in the current period were related to general corporate management, management fees at \$180,000 was consistent with the 2011 period; and general and administrative expenses rose slightly to \$26,822 versus \$25,640 in 2011. Partially in consideration of the political instability within Mali, exploration expenses were reduced to \$109,217 from \$373,136 in 2011. The 2011 non-cash charge of \$106,040 was not repeated in 2012 as no stock options were granted in the period. In the period the Company generated interest income of \$2,337 [2011: \$3,352] on its cash reserves; and in 2011 the Company recorded a recovery of the \$20,000 expense previously accrued for reclamation costs.

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, 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.

Fluctuations in Results

The exploration decrease was primarily due to the fact that the Company did not engage in active in-country exploration drilling operations during the period.

Liquidity and Capital Resources

As at December 31, 2012 the Company had accumulated losses totaling \$8,347,644 versus \$8,007,810 at the June 30, 2012 year-end; and total liabilities of \$567,657 compared with \$475,830 at the June 30, 2012 year-end. As at December 31, 2012 the Company had a working capital deficit of (\$62,388) compared with a surplus of \$277,445 as at June 30, 2012.

As at December 31, 2012 the Company had cash and equivalents on hand of \$471,446.

During the year-ended June 30, 2012 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 entitled 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.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

	Quarter Ended							
	12/31/2012	9/30/2012	6/30/2012	3/31/2012	12/31/2011	9/30/2011	6/30/2011	3/31/2011
Net Revenues	\$ -	-	-	-	-	-	-	-
Comprehensive loss	\$ (177,565)	(162,268)	(126,837)	(263,450)	(268,388)	(441,022)	(102,487)	(252,945)
Loss per share	\$ (0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.01)	(0.03)
Share capital	\$ 8,183,326	8,183,326	8,183,326	8,183,326	8,176,660	7,057,786	6,289,668	6,301,568
Common shares issued	21,726,111	21,726,111	21,726,111	21,726,111	21,698,334	12,698,334	12,698,334	12,698,334
Weighted average shares outstanding per	21,726,111	21,726,111	21,726,111	21,719,000	17,796,160	12,698,334	12,698,334	8,463,766
Total Assets	\$ 1,032,893	1,172,399	1,280,900	1,621,595	1,756,906	809,141	1,160,683	1,621,402
Net Assets (liabilities)	\$ 465,236	642,802	805,945	938,458	1,220,241	344,770	811,619	897,871
Dividends Declared per Share	\$ 0	0	0	0	0	0	0	0

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, the Company's exploration focus shifted to West Africa.

On March 22, 2012 a coup d'état, led by junior officers of the Malian military, took place in Mali. The coup forced the ouster of the democratically elected government; resulting in the relative stability of Mali's 20 year-old democracy being replaced by nearly four weeks of rule by a Military Junta. Shortly after the Junta established rule over the country and in consideration of the international reaction, it became necessary for the Company to cease exploration activities and remove all expatriates from Mali. Due to the external pressures put upon the Junta including international embargoes and economic sanctions, the Junta ceded power to civilian-rule through the appointment of an interim Prime Minister on April 17; and in turn a new civilian government comprising 23 ministers announced by the interim Prime Minister on April 25.

On the 15th January 2013, the Republic of France dispatched troops to Mali to assist the Malian military in attempting to turn-back the jihadist rebels who had commenced a move to the Capitol. Contemporaneously, the international community condemned the move by the Islamists and placed Mali on the "no go" list for expatriates.

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 interrupted the Company's efforts to perform in-country exploration work at Manalo/Mansaya.

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.

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 periods ended December 31, 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:

	December 31, 2012	September 30, 2011
	\$	\$
PEMC	nil	213,450
Geocon	99,400	99,400
Rockgate	456,486	nil
	<u>555,886</u>	<u>312,850</u>

For the period ended December 31, 2012, the Company paid \$15,000 (2011: \$15,000) 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 period ended December 31, 2012, the Company paid a total of \$180,000 (2011: \$180,000) 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 \$nil (2011: \$7,800) paid to Geocon, a company controlled by a former officer and director of the Company for geological services. During 2011, the consulting agreement related to these services was terminated.

Included in exploration and drilling expense is \$109,217 (2011: \$90,000) 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 December 31, 2012 and 2011 are as follows:

	2012	September 30 2011
Share-based compensation	\$ -	\$ 90,675

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 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 \$2,462,717 (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</p>	<p>Delta Exploration</p> <p>Incurring US\$109,217 in exploration expenses on Manalo/Mansaya Property prior to April 1, 2013.</p>

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	
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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**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.

New accounting standards issued but not yet effective - Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2011, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- (i) New accounting standards effective January 1, 2013

IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

- (i) New accounting standards effective January 1, 2015

IFRS 9 Financial Instruments - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This

standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

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 December 31, 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 December 31, 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 December 31, 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 \$500,318 (2011 - \$1,818,936) 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 December 31, 2012, the Company had a working capital deficit of \$(62,388) (June 30, 2012 year-end surplus of \$277,445). All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at December 31, 2012, the Company has inadequate 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 February 28, 2013:

Common Shares -issued & outstanding	21,726,111		
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