

KAIYUE INTERNATIONAL INC.
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NEWS RELEASE

August 10, 2012

KAIYUE INTERNATIONAL ANNOUNCES QUALIFYING TRANSACTION TO ACQUIRE UP TO 70% INTEREST IN TOE PROPERTY FROM BCGOLD CORP.

VANCOUVER, BC – KAIYUE INTERNATIONAL INC. (“**Kaiyue**” or the “**Company**”) (TSXV:KYU.P) is pleased to announce that it has entered into a letter agreement (the “**Letter Agreement**”) with BCGold Corp. (“**BCGold**”) (TSXV:BCG) pursuant to which BCGold has agreed to grant Kaiyue an option to acquire up to 70% of its 100% interest in and to 76 mineral claims known as the Toe Property (the “**Toe Property**”) located in the Yukon (the “**Transaction**”).

The Transaction is intended to be Kaiyue’s “Qualifying Transaction” as that term is defined in Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”). To date, Kaiyue has been a capital pool company with the business of identifying a qualifying transaction.

The Transaction will be carried out by parties dealing at arm’s length to one another and no non-arm’s length parties of Kaiyue have any direct or indirect interest in the Toe Property, therefore the Transaction will not be a Non-Arm’s Length Qualifying Transaction as such term is defined in Exchange Policy 2.4. Kaiyue does not expect that approval of its shareholders will be required for the Transaction.

Upon completion of the Transaction, Kaiyue expects that it will be classified as a Tier 2 mining issuer under the policies of the Exchange and will be engaged in the exploration and development of prospective mineral properties, including the Toe Property.

Terms of the Transaction

Under the terms of the Letter Agreement, BCGold has agreed to grant Kaiyue an option (the “**Option**”) to acquire up to 70% of its right, title and interest in and to the Toe Property. In order to acquire a 60% interest in the Toe Property, Kaiyue will be required to:

- (a) pay to BCGold an aggregate of \$255,000 as follows:
 - (i) \$25,000, upon signing of the Letter Agreement;
 - (ii) \$25,000 on or before the date which is one (1) year from receipt of final approval (the “**Final Approval**”) from the TSX-V for the Transaction;
 - (iii) \$55,000 on or before the date which is two years from receipt of the Final Approval,
 - (iv) \$50,000 on or before the date which is three years from receipt of the Final Approval, and
 - (v) \$100,000 on or before the date which is four years from receipt of the Final Approval;
- (b) incur exploration expenditures of at least \$1,900,000 on the Toe Property on or before the fourth anniversary of receipt of the Final Approval, as follows:
 - (i) \$200,000 before the date which is one year from receipt of the Final Approval,

- (ii) \$400,000 before the date which is two years from receipt of the Final Approval,
 - (iii) \$650,000 before the date which is three years from receipt of the Final Approval, and
 - (iv) \$650,000 before the date which is four years from receipt of the Final Approval; and
- (c) allot and issue to BCGold, as fully paid and non-assessable, an aggregate of 400,000 common shares of Kaiyue (each, a “**Share**”), as follows:
- (i) 100,000 Shares upon receipt of the Final Approval,
 - (ii) 100,000 Shares on or before the date which is one year from receipt of the Final Approval, and
 - (iii) 200,000 Shares on or before the date which is two years from receipt of the Final Approval.

The Company intends to use its working capital to make the cash payments required under the Letter Agreement. Kaiyue can earn an additional 10% interest in the Toe Property by completing a feasibility study on or before the date which is four years from the receipt of the Final Approval.

Kaiyue will have the exclusive right to manage and operate all work programs carried out on the Toe Property in its sole discretion for so long as the Option remains outstanding. Kaiyue will also be responsible for maintaining the Toe Property in good standing throughout such time. BCGold will have the right to access the Toe Property and all data, reports and other information generated by Kaiyue with respect to the Toe Property during the period that the Option is outstanding.

At the closing of the Transaction (the “**Closing**”), Kaiyue will enter into a royalty agreement with BCGold whereby Kaiyue will grant BCGold an aggregate 2.5% net smelter returns royalty (the “**NSR Royalty**”) with respect to production of all precious metals from the Toe Property. The NSR Royalty will be payable by Kaiyue following commencement of commercial production on the Toe Property. If BCGold receives an offer from a third party to acquire all or any portion of the NSR Royalty, Kaiyue will have a right of first refusal to acquire such portion of the NSR Royalty on the same terms as set forth in the third party offer.

The parties expect to enter into a definitive agreement with respect to the Transaction on or before August 30, 2012.

Conditions of Closing

Completion of the Transaction will be subject to certain conditions, including:

- (a) Kaiyue and BCGold obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including the Exchange and other applicable regulatory authorities;
- (b) the Toe Property satisfying the Exchange’s Initial Listing Requirements as set out in Exchange Policy 2.1 such that, assuming satisfaction of all other Initial Listing Requirements, Kaiyue will qualify as a Tier 1 or a Tier 2 Issuer on the Exchange upon completion of the Transaction; and
- (c) Kaiyue completing its due diligence.

Sponsorship

Kaiyue will seek to obtain an exemption from the sponsorship requirements set out in Exchange Policy 2.2.

The Toe Property

The 1,600 hectare Toe Property is one of BCGold Corp.'s 16 Minto/Carmacks Copper Gold Properties (15,925 hectares) in Yukon, strategically located proximal and adjacent to Capstone Mining Corp.'s currently producing, high-grade copper-gold Minto Mine and Copper North Mining Corp.'s Carmacks Copper Project. BCGold Corp. is the largest land holder in the Carmacks Copper-Gold Belt, having spent approximately \$4 million in exploration expenditures over the past 4 years and discovering 7 copper-gold mineralized zones.

Officers and Directors upon Completion of Transaction

The Company expects to add two directors, Yingting Guo and Judyanna Chen, in connection with the Closing. As such, upon completion of the Transaction, the directors and officers of the Company will be as follows:

Hilda Sung –Chief Executive Officer and Director
Joseph Chan – Chief Financial Officer and Director
Bradley Cran – Director
Yingting Guo – Director
Judyanna Chen – Director

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed on the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARDs of

KAIYUE INTERNATIONAL INC.

Per: "Hilda Sung"
Hilda Sung
President, CEO and Director

For further information, please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding Kaiyue's proposed qualifying transaction. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits Kaiyue will obtain from them.