

PC Gold Inc.

(an exploration stage company)

Financial Statements

For the 9 months ended March 31, 2009

(unaudited)

Management's Comments on Unaudited Interim Financial Statements

These unaudited interim financial statements of PC Gold Inc. (the "Company") for the 9 months ended March 31, 2009 have been prepared by management and approved by the Board of Directors of the Company.

These unaudited interim financial statements have not been reviewed by the Company's external auditors.

PC Gold Inc.

(an exploration stage company)

Balance Sheets

	As at March 31, 2009 \$ (unaudited)	As at June 30, 2008 \$
Assets		
Current		
Cash	3,082,437	6,984,456
Receivables	34,092	44,119
Prepaid expenses and deposits	164,529	179,234
	<u>3,281,058</u>	<u>7,207,809</u>
Reclamation deposit	108,841	108,841
Capital assets (note 3)	55,179	71,199
Mineral resource property (note 4)	19,708,441	14,717,768
	<u>23,153,519</u>	<u>22,105,617</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	217,327	289,103
Shareholders' equity		
Share capital (note 5)	21,867,442	20,620,978
Warrants (note 5)	2,072,400	1,504,095
Contributed surplus (note 5)	1,511,115	1,246,372
Deficit	(2,514,765)	(1,554,931)
	<u>22,936,192</u>	<u>21,816,514</u>
	<u>23,153,519</u>	<u>22,105,617</u>

See accompanying notes to financial statements

Approved by the Board:

(signed) Kevin Keough
Director

(signed) William Fisher
Director

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Statements of Operations and Deficit

	3 months ended March 31,		9 months ended	October 17,	Cumulative
	2009	2008	March 31,	2007 to	since
	\$	\$	2009	March 31,	October 17,
	(unaudited)	(unaudited)	(unaudited)	2008	2007
				(unaudited)	(unaudited)
				(note 1)	(note 1)
General and administrative expenses					
Professional fees	15,396	7,000	40,438	10,330	71,768
Salaries & benefits	70,547	-	230,890	-	245,550
Consulting fees	12,000	45,320	36,000	45,320	130,542
Directors' fees	22,250	-	70,333	-	91,250
Stock-based compensation	88,248	-	264,743	-	1,511,115
Premises	5,045	4,321	15,245	4,321	23,261
Office, general and administration	14,091	4,913	37,318	5,628	52,645
Public company costs	45,346	-	67,091	-	84,352
Investor relations	61,705	4,353	218,364	4,353	336,254
Travel	1,225	675	12,781	7,043	20,125
Amortization	5,340	937	16,020	937	19,768
	<u>341,193</u>	<u>67,519</u>	<u>1,009,223</u>	<u>77,932</u>	<u>2,586,630</u>
Loss before the following item	(341,193)	(67,519)	(1,009,223)	(77,932)	(2,586,630)
Interest income	4,026	4,386	49,389	4,386	71,865
Loss for the period	<u>(337,167)</u>	<u>(63,133)</u>	<u>(959,834)</u>	<u>(73,546)</u>	<u>(2,514,765)</u>
Deficit, beginning of period	(2,177,598)	(10,413)	(1,554,931)	-	-
Deficit, end of period	<u>(2,514,765)</u>	<u>(73,546)</u>	<u>(2,514,765)</u>	<u>(73,546)</u>	<u>(2,514,765)</u>
Loss per share - basic and diluted	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.04)</u>	<u>(0.03)</u>	
Weighted average number of shares outstanding - basic and diluted	<u>26,555,000</u>	<u>4,005,495</u>	<u>25,980,839</u>	<u>2,783,133</u>	

See accompanying notes to financial statements

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Statements of Cash Flows

	3 months ended March 31,		9 months ended	October 17,	Cumulative
	2009	2008	March 31,	2007 to	since
	\$	\$	2009	March 31,	October 17,
	(unaudited)	(unaudited)	(unaudited)	2008	2007
				(unaudited)	(unaudited)
				(note 1)	(note 1)
Cash provided by (used in)					
Operating activities					
Loss for the period	(337,167)	(63,133)	(959,834)	(73,546)	(2,514,765)
Amortization	5,340	937	16,020	937	19,768
Stock-based compensation	88,248	-	264,743		1,511,115
Changes in non-cash operating working capital:					
Prepaid expenses and deposits	263,234	-	14,704		(164,529)
Receivables	187,858	(12,502)	10,027	(15,123)	(34,093)
Accounts payable and accrued liabilities	(156,720)	(50,387)	(71,775)	22,000	217,327
	50,793	(125,085)	(726,115)	(65,732)	(965,177)
Financing activities					
Deferred share issue costs	-	(46,215)	-	(67,015)	-
Advances from a director	-	-	-	34,977	34,977
Advances	-	-	-	25,000	25,000
Issue of common shares	2,000,000	521,900	2,000,000	1,102,524	14,602,524
Share issue costs	(185,231)	-	(185,231)	(15,515)	(1,297,250)
	1,814,769	475,685	1,814,769	1,079,971	13,365,251
Investing activities					
Deposit on acquisition of assets	-	-	-	(50,000)	(50,000)
Prepaid expenses and deposits	-	(153,374)	-	(198,374)	(45,000)
Acquisition of reclamation deposit and mineral resource property	-	-	-	-	(3,733,268)
Mineral resource property expenditures	(573,076)	-	(4,990,673)	-	(5,414,422)
Deferred acquisition costs	-	-	-	(28,015)	-
Purchase of capital assets	-	(74,947)	-	(74,947)	(74,947)
	(573,076)	(228,321)	(4,990,673)	(351,336)	(9,317,637)
Net increase (decrease) in cash	1,292,486	122,279	(3,902,019)	662,903	3,082,437
Cash, beginning of period	1,789,951	540,624	6,984,456	-	-
Cash, end of period	3,082,437	662,903	3,082,437	662,903	3,082,437
Non-cash transactions					
Shares issued as settlement of advances from a director	-	34,977	-	34,977	
Shares issued as settlement of advances	-	25,000	-	25,000	
Shares issued for corporate finance fee	25,000	-	25,000	-	
Supplementary information					
Interest paid	-	-	-	-	
Income taxes paid	-	-	-	-	

See accompanying notes to financial statements

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Notes to Financial Statements

March 31, 2009

(unaudited)

1. *Nature and continuance of operations*

PC Gold Inc. (the "Company") was incorporated under the laws of Ontario on October 17, 2007 to consolidate leasehold ownership interests in, explore and develop the past producing Pickle Crow Gold Mine Property ("Pickle Crow Property") in northwestern Ontario.

The Company is in the exploration stage and its continued operations are dependent upon the ability of the Company to obtain financing for the continued exploration and development of the Pickle Crow Property, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of the Pickle Crow Property.

The Company is exposed to commodity price risk with respect to gold and silver prices. A significant decline in gold and silver prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource property.

The Company has not yet determined whether the Pickle Crow Property contains ore reserves that are economically recoverable.

2. *Accounting presentation and disclosures*

These financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these financial statements should be read in conjunction with the annual financial statements.

Accounting changes

On July 1, 2008, the Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern. Beyond additional disclosure, the adoption of this new accounting standard did not have an effect on the Company's financial statements.

On March 27, 2009, the Company adopted CICA Emerging Issues Committee EIC-174, "Mining Exploration Costs". EIC-174 provides guidance on the capitalization of exploration costs related to mineral properties, when impairment should be assessed to determine whether a writedown is required and the conditions that indicate impairment. The adoption of EIC-174 did not have an effect on the Company's financial statements.

Future accounting changes

On July 1, 2009, the Company will adopt CICA Handbook Section 3031, "Inventories", which will replace Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On July 1, 2009, the Company will adopt CICA Handbook Section 3064, "Goodwill and Intangible Assets" which will replace Section 3062. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

International Financial Reporting Standards (“IFRS”):

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles (“GAAP”) with IFRS over an expected five year transitional period.

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 (“First Time Adoption of IFRS”) exemptions. The Company hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities such as financing and compensation arrangements, during 2009.

3. Capital assets

	As at March 31, 2009	As at June 30, 2008
	\$	\$
Mining equipment	56,700	56,700
Accumulated amortization	14,955	2,836
	<u>41,745</u>	<u>53,864</u>
Office furniture & equipment	18,247	18,247
Accumulated amortization	4,813	912
	<u>13,434</u>	<u>17,335</u>
	<u>55,179</u>	<u>71,199</u>

4. Mineral resource property

The Company has a 100% interest in the Pickle Crow Property which consists of 4,117 hectares located in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario. The Company's interest includes a 100% interest in (a) a mining lease expiring May 31, 2067 which covers 98 patented mineral claims totalling 1,533 hectares, (b) 18 contiguous non-patented claims totaling 165 units or 2,579 hectares, and (c) a single non-contiguous non-patented claim comprising 5 hectares.

As of March 31, 2009, accumulated costs with respect to the Company's interest in the Pickle Crow Property consisted of the following:

	\$
Balance, October 17, 2007	-
Acquisition cost	14,294,019
Exploration expenditures	423,749
Balance, June 30, 2008	<u>14,717,768</u>
Exploration expenditures	4,990,673
Balance, March 31, 2009	<u>19,708,441</u>

The Company's interest in the mining lease is subject to two net smelter royalties totaling a combined 1.25% of which, the Company has the option to purchase 1% for \$5,000,000 until May 13, 2013 and 0.25% for \$1,000,000 until May 1, 2013.

5. Share capital

Authorized

An unlimited number of common shares without par value.

Issued

	Common shares	
	Number of shares	Amount \$
Balance, October 17, 2007	-	-
Issued for cash	4,200,152	1,102,524
Issued to settle advances from a director	233,182	34,977
Issued to settle advances	66,666	25,000
Issued pursuant to initial public offering	11,500,000	11,500,000
Issued for corporate finance fee	200,000	200,000
Issued for acquisition of mineral resource property	9,500,000	9,500,000
Fair value of warrants issued to agents	-	(429,504)
Share issue costs	-	(1,312,019)
Balance, June 30, 2008	25,700,000	20,620,978
Issued pursuant to private placement	4,000,000	2,000,000
Issued for corporate finance fee	50,000	25,000
Fair value of unit warrants issued	-	(497,422)
Fair value of warrants issued to agents	-	(70,883)
Share issue costs	-	(210,231)
Balance, March 31, 2009	29,750,000	21,867,442

Private placement

On March 12, 2009 the Company completed a private placement of 4,000,000 units at a price of \$0.50 per unit for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.70 per common share until March 12, 2010. In connection with the offering, the Company issued to the agents 50,000 common shares with a value of \$25,000 and 285,000 common share purchase warrants entitling the holder to purchase one common share at \$0.70 per common share until March 12, 2010.

The fair value of the warrants of \$568,305 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.58%
Expected volatility	100%
Expected life of warrants	1 year
Expected dividend yield	Nil

Warrants

A summary of the Company's warrants is presented below:

	Number of warrants	Amount \$
Balance, October 17, 2007	-	-
Fair value of warrants issued for acquisition of mineral resource property (note 3)	2,375,000	1,074,591
Fair value of warrants issued to agents	805,000	429,504
Balance, June 30, 2008	3,180,000	1,504,095
Fair value of warrants issued	2,000,000	497,422
Fair value of warrants issued to agents	285,000	70,883
Balance, March 31, 2009	5,465,000	2,072,400

	Number of warrants	Weighted average exercise price \$
Balance, October 17, 2007	-	-
Issued	3,180,000	1.30
Balance, June 30, 2008	3,180,000	1.30
Issued	2,285,000	0.70
Balance, March 31, 2009	5,465,000	1.05

Exercise price	Number of warrants outstanding	Expiry date
\$1.00	805,000	May 13, 2010
\$1.40	2,375,000	May 13, 2010
\$0.70	2,285,000	March 12, 2010
	5,465,000	

Stock options

The Company has adopted a stock option plan for directors, officers, employees and consultants. The maximum number of common shares reserved for issuance pursuant to the stock option plan together with any common shares reserved for issuance pursuant to any other security-based compensation arrangement shall be 10% of the issued and outstanding common shares.

The exercise price of each stock option will be determined by the Board of Directors at the time of grant, provided that the exercise price cannot be lower than the market value of the common shares as determined by the Board of Directors or, if the common shares are listed and posted for trading on the TSX, the volume weighted-average trading price of the common shares for each of the last five trading days immediately preceding the date of grant. The Board of Directors shall have the discretion to determine the term and vesting provisions of any options granted under the stock option plan at the time of grant.

A summary of the Company's stock option plan activity is presented below:

	Number of options	Weighted average exercise price \$
Balance, October 17, 2007	-	-
Granted	2,515,000	1.01
Balance, June 30, 2008 and March 31, 2009	2,515,000	1.01
Options exercisable	1,588,333	

A summary of the Company's stock options outstanding and exercisable at March 31, 2009 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$1.00	2,115,000	1,288,333	May 13, 2013
\$1.08	400,000	300,000	May 28, 2013
	2,515,000	1,588,333	

Contributed surplus

	\$
Balance, October 17, 2007	-
Stock-based compensation	1,246,372
Balance, June 30, 2008	1,246,372
Stock-based compensation	264,743
Balance, March 31, 2009	1,511,115

6. Capital disclosures

Capital of the Company consists of the components of shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource property for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the period.

7. Financial instruments and risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash in Canadian dollars.

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions and by holding no asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 6. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

8. Related party transactions

For the 9 months ended March 31, 2009, consulting fees of \$45,000 were expensed for two companies controlled by officers of the Company and salaries & benefits included \$165,000 paid or payable to a director and officer of the Company. Mineral resource property included \$2,234,195 of exploration expenditures paid or payable to Fladgate Exploration Consulting ("Fladgate"). An officer of the Company is an officer of Fladgate. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Accounts payable and accrued liabilities included \$58,582 due to Fladgate.