BLUE GOLD BEVERAGES INC.
QUARTERLY REPORT
For the Quarter ended February 29, 2012

Item 1. Exact Name of Issuer and Address of Principal Executive Offices:

9408 Pascal Gagnon
Montreal, Quebec, Canada, H1P 1Z7
Phone: (888) 610-2242
Fax: (888) 610-2242
Web page: www.bluegoldbeverages.com

Item 2. **The number of shares or total amount of the securities outstanding for each class of securities outstanding.**

The Company had 182,017,468 common shares outstanding as of February 28th, 2012.

There are 500,000,000 common stock shares authorized. There are 400,000,000 Series A preferred stock shares authorized, 60,903,975 issued and outstanding. There are 5,000,000 Series B preferred stock shares Authorized and 1,478,857 outstanding as of November 30, 2010.

As of the end of the most recently completed fiscal year ending November 30, 2011 the public float was 103,342,538 shares.

The Company had 136 active shareholders of record as of February 28th 2012

Item 3. Unaudited Financial Statements for the Quarter ended February 28th, 2012 begin on the following page.

Blue Gold Beverages, Inc.
Balance Sheet
As of February 29, 2012
(Unaudited)

ASSETS		
Current Assets:		
Cash and cash equivalents	$	720
Accounts receivables		95,000
Loan receivable		10,000
Inventory		50,000
Total Current Assets		155,720
Other Assets		600,000
Total Assets	$	755,720
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	$	423,873
Loan payables		125,358
Total Current Liabilities		549,231
Commitments		-
Stockholders' Equity:		
Common stock; $0.001 par value; 500,000,000 shares authorized; 197,017,468 shares issued and outstanding		316,343
6% Series A Preferred stock; $0.001 par value; 400,000,000 shares authorized, 60,903,975 shares issued and outstanding		60,904
Series B Convertible Preferred stock; $1 par value; 5,000,000 shares authorized, 1,478,857 shares issued and outstanding		1,540,282
Additional paid in capital		12,546,849
Deficit accumulated		(14,257,889)
Total Stockholders' Equity		206,489
Total Liabilities and Stockholders' Equity	$	755,720

The accompanying notes are an integral part of these unaudited financial statements.

Blue Gold Beverages, Inc.
Statement of Operations
For the three month period ended February 29, 2012
(Unaudited)

Net Revenues	$	-
Cost of Goods Sold		-
Gross profit		-
Operating Expenses:		
General and administrative expenses		42,141
Total operating expenses		42,141
Loss From Operations		(42,141)
Other Expenses:		
Impairment expense		200,000
Loss Before Discontinued Operations		(242,141)
Loss From Discontinued Operations		
Loss from rescission of agreement		(65,000)
Net Loss		(307,141)
Loss per share		
Basic & Diluted	$	(0.00)
Weighted average number of shares outstanding		
Basic & Diluted		182,017,468

The accompanying notes are an integral part of these unaudited financial statements

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Blue Gold Beverages, Inc.
Statement Of Cash Flows
For the three month period ended February 29, 2012
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$	(307,141)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment expense		200,000
Increase in current liabilities:		
Accounts payable and accrued expenses		36,750
Total Adjustments		236,750
Net cash used in operating activities from continuing operations		(70,391)
Net cash provided by operating activities from discontinued operations		65,000
Net cash used in operating activities		(5,391)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan receivable		(10,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Monies raised from loan payables		15,391
NET DECREASE IN CASH AND CASH EQUIVALENTS		-
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE		720
CASH AND CASH EQUIVALENTS, ENDING BALANCE	$	720
SUPPLEMENTAL DISCLOSURES:		
Interest paid	$	-
Income tax paid	$	-
SUPPLEMENTAL DISCLOSURES FOR NON CASH:		
FINANCING AND INVESTING ACTIVITIES		
Assets returned in exchange of shares cancellation	$	(100,000)
Shares returned for acquisition rescission	$	(300,000)

Blue Gold Beverages, Inc.
Statement Of Stockholders' Equity
For The Period Ended February 29, 2012
(Unaudited)

	Common Stock		Preferred Stock		Additional Paid-in	Deficit Accumulated During Development	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Stage	Equity/(Deficit)
Balance, Novmber 30, 2002	**7,875,770**	**$ 114,640**	**105,000**	**$ 67,200**	**$ 9,807**	**$ (715,784)**	**$ (524,017)**
Stock options exercised	98,447	896	-	-	-	-	896
Options granted	-	-	-	-	39,456	-	39,456
							-
Shares issued for cash	669,983	76,567	-	-	-	-	76,567
Recapitalization on reverse merger	1,355,780	-	5,670,000	-	-	-	-
Shares issued for acquisition	95,086,202	10,000	-	-	-	-	10,000
Settlement of related party debt	-	-	55,128,975	55,129	734,749	-	789,878
Stock issued for services	9,508,620	9,509	-	-	40,491	-	50,000
Comprehensive loss	-	-	-	-	-	-	(156,833)
Net loss for the year ended November 30, 2003	-	-			-	(480,818)	(480,818)
Balance as of November 30, 2003	114,594,802	$ 211,612	60,903,975	$ 122,329	$ 824,503	$ (1,196,602)	$ (194,871)
Shares issued for cash	20,930,000	20,930	-	-	209,520	-	230,450
							-
Stock issued for services	6,600,000	6,600	-	-	69,000	-	75,600
							-
Shares issued for acquisition	300,000	300			7,500		7,800
							-
Conversion of debenture	2,152,474	2,152			13,048		15,200

Options granted	-	-	-	-	1,224	-	1,224
Comprehensive loss	-	-	-	-	-	-	(64,906)
							-
Net loss for the year ended November 30, 2004	-	-	-	-	-	(707,797)	(707,797)
Balance as of November 30, 2004	144,577,276	241,594	60,903,975	122,329	1,124,795	(1,904,399)	(637,300)
Conversion of debenture	17,761,072	17,761	-	-	27,129	-	44,890
Stock issued for services	5,000,000	5,000	-	-	70,000	-	75,000
Shares issued for cash	30,000,000	30,000			17,500		47,500
Shares issued for cash and note payable	108,000,000	108,000	-	-	239,500	-	347,500
Options granted	-	-	-	-	95,680	-	95,680
Warrants granted	-	-	-	-	105,336	-	105,336
Comprehensive loss	-	-	-	-	-	-	(19,062)
Net loss for the year ended November 30, 2005	-	-	-	-	-	(812,847)	(812,847)
Balance as of November 30, 2005	305,338,348	$ 402,355	60,903,975	$ 122,329	$ 1,679,940	$ (2,717,246)	$ (753,303)
Shares issued for cash	100,000,000	100,000	-	-	-	-	100,000
Conversion of debenture	42,146,650	42,147			(17,948)	-	24,199
Options granted	-	-	-	-	3,806	-	3,806
Comprehensive loss		-	-	-	-	-	(12,948)
Net loss for the year ended November 30, 2006	-	-	-	-	-	(191,117)	(191,117)

Balance as of November 30, 2006	447,484,998	$ 544,502	60,903,975	$ 122,329	$ 1,665,798	$ (2,908,363)	$ (829,363)
100:1 Stock split	(443,010,134)	(540,027)	-	-	540,027	-	-
Shares issued for services	450,500,000	450,500	-	-	3,574,550	-	4,025,050
Options granted	-	-	-	-	-	-	-
Capital contribution on related party loan settlement	-	-	-	-	347,079	-	347,079
Capital contribution on sale of subsidiary to related party	-	-	-	-	67,027	-	67,027
Comprehensive gain	-	-	-	-	-	-	253,629
Net Loss for the year ended November 30, 2007	-	-	-	-	-	(4,234,269)	(4,234,269)
Balance as of November 30, 2007	454,974,864	$ 454,975	60,903,975	$ 122,329	$ 6,194,481	$ (7,142,632)	$ (370,847)
Stock issued for services	150,000,000	150,000	-	-	1,500,000	-	1,650,000
200:1 Stock split	(601,949,990)	(467,625)	-	-	467,625	-	-
Stock issued for services	11,023,015	11,023	-	-	2,333,810	-	2,344,833
Convertible Series B Preferred stock issued for cash	-	-	627,184	627,184	627,184	-	1,254,368
Series B Preferred Dividend for warrants granted	-	-	-	-	-	(628,910)	(628,910)
Net Loss for the year ended November 30, 2008						(3,300,067)	(3,300,067)
Balance as of November 30, 2008	14,047,889	148,373	61,531,159	749,513	11,123,100	(11,071,609)	949,377
Stock issued for cash	14,325,346	14,325	851,673	851,673	80,677	-	946,675

Dividends paid	3,144,233	3,144	-	-	51,073	(82,730)	(28,513)
Net Loss for the year ended November 30, 2009						(1,205,253)	(1,205,253)
Balance as of November 30, 2009	31,517,468	165,843	62,382,832	1,601,186	11,254,849	(12,359,591)	662,286
Stock issued for assets purchase	40,000,000	40,000	-	-	160,000	-	200,000
Stock issued for services	60,000,000	60,000	-	-	240,000	-	300,000
Stock issued for Series A dividend	5,500,000	5,500	-	-	22,000	(27,500)	-
Stock issued for acquisition of subsidiary	10,000,000	10,000	-	-	590,000	-	600,000
Net loss for the year ended November 30, 2010	-	-	-	-	-	(1,106,622)	(1,106,622)
Balance as of November 30, 2010	147,017,468	281,343	62,382,832	1,601,186	12,266,849	(13,493,713)	655,664
Shares issued to purchase assets	5,000,000	5,000	-	-	95,000	-	100,000
Shares issued for services	35,000,000	35,000	-	-	280,000	-	315,000
Shares issued for acquisition of subsidiary	10,000,000	10,000	-	-	290,000	-	300,000
Net loss for the year ended November 30, 2011	-	-	-	-	-	(457,034)	(457,034)
Balance as of November 30, 2011	197,017,468	$ 331,343	62,382,832	$ 1,601,186	$ 12,931,849	$ (13,950,747)	$ 913,630
Cancellation of shares issued for purchase of assets	(5,000,000)	(5,000)	-	-	(95,000)	-	(100,000)
Cancellation of shares issued for acquisition of subsidiary	(10,000,000)	(10,000)	-	-	(290,000)	-	(300,000)
Net loss for the three month period ended February 29, 2012	-	-	-	-	-	(307,141)	(307,141)
	182,017,468	316,343	62,382,832	1,601,186	12,546,849	(14,257,889)	206,489

The accompanying notes are an integral part of these unaudited financial statements

1. Financial Statement Presentation

Blue Gold Beverages, Inc. (The "Company") was incorporated in Delaware as a faith-based media holding company comprising internet, print and television related content properties and technology development services.

On November 28, 2003, the Company acquired GospelCity.com Inc. which was spun off on November 27, 2007.

On February 8, 2008, the Company acquired assets from Systems Art Holdings Limited to enter the cardiac medical device market. On March 3, 2010, the Company sold all the assets acquired from Systems Art Holdings Limited to Miazzi Inc.

On March 3, 2010, the Company acquired all the assets of Blue Gold Beverages, Inc. – a Company carrying on the business of selling private label water, organic beverages and BGB labeled water in various size bottles. The purchase price was 40,000,000 shares of the Company valued at $200,000. As of February 29, 2012, the Company is no longer engaged in this business and decided to impair all the assets related to this business.

On April 8, 2010, the Company filed for change of the name of the Company from Heart Health Inc. to Blue Gold Beverages, Inc. and the change in name got effective from that date.

On November 7th 2010 the company bought the shares of Ty Recycling, a nylon and plastics recycling company with operations in Ontario Canada in exchange for 10,000,000 shares of Blue Gold Beverages the deal was valued at $600,000.

On May 3rd, 2011 the company purchased the distribution right for PITBULL energy bars for epic Nutrition Canada for 5 000 000 shares of Blue Gold Beverages, the deal was valued at $100,000. On December 30, 2011, the Company rescinded the shares exchange agreement and the shares were returned.

On June 16th, 2011 Blue Gold Beverages purchased the shares of Epic Nutrition USA for 10,000,000 shares of common stock. The shares were valued at the fair market value of $300,000. On December 30, 2011, the Company rescinded the shares exchange agreement and the shares were returned.

2. Significant Accounting Policies

Basis of Presentation and Organization

The financial statements of the Company for the periods December 1, 2011 to February 29, 2012 have been prepared in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined.

Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff accounting bulletin (SAB) 104. Sales revenue is recognized at the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. The Company recognizes revenue net of an allowance for estimated returns, at the time the merchandise is sold or services performed. The allowance for sales returns is estimated based on the Company's historical experience. Sales taxes are presented on a net basis (excluded from revenues and costs). Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as unearned revenue.

Fair Value of Financial Instruments

Statement of financial accounting standard No. 107, Disclosures about fair value of financial instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying, as financial instruments are a reasonable estimate of fair value.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Other Assets

On March 3, 2010, the Company acquired all the assets of Blue Gold Beverages, Inc. – a Company carrying on the business of selling private label water, organic beverages and BGB labeled water in various size bottles. The purchase price was 40,000,000 shares of the Company valued at $200,000. As of February 29, 2012, the Company is no longer engaged in this business and decided to impair all the assets related to this business.

On November 7th 2010 the company bought the shares of 9210-8216 Quebec Inc (Ty Recycling) nylon and plastics recycling company with operations in Ontario Canada in exchange for 10,000,000 shares of Blue Gold Beverages the deal was valued at $600,000.

On May 3rd, 2011 the company purchased the distribution right for PITBULL energy bars for epic Nutrition Canada for 5 000 000 shares of Blue Gold Beverages, the deal was valued at $100,000.On June 16th,2011 Blue Gold Beverages purchased the shares of Epic Nutrition USA for 10,000,000 shares of common stock. The shares were valued at the fair market value of $300,000. On December 30, 2011, the Company rescinded the shares exchange agreement and the shares were returned.

Impairment of Long-lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Property, Plant and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the declining method using 20% to 30%. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Assets held under capital leases are recorded at the lesser of the present value of the future minimum lease payments or the fair value of the leased property. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is provided using the declining method for substantially all assets with percentages of:

On the declining balance method -

Computer hardware and software	30%
Furniture and fixtures	20%

Stock Based Compensation

The Company uses the fair value method to account for stock based employee compensation plans, and equity instruments granted to non-employees in payment of services rendered, which is the method of accounting defined in Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock Based Compensation. Under the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period and the cost of services performed by non-employees are accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

The fair value of the options is estimated at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's options and rights have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employees' stock options and rights.

Basic and Diluted Earnings Per Share

Earnings per share are calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), “Earnings per share”. SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share are computed by dividing net income by the weighted average number of common shares and dilutive common equivalent shares (restricted stock awards and stock options) outstanding during the period. Weighted average number of common shares was calculated in accordance with the Statement of financial accounting standards No. 141R (SFAS No. 141R), “Business combinations”. Basic & diluted loss per share was $0.00 for the three month period ended February 29, 2012.

New Accounting Pronouncements

None of the Accounting Standards Updates (ASU) that the Company adopted and that became effective January 1, 2011, had a material impact on its consolidated financial statements.

ASU No. 2011-04
On May 12, 2011, the FASB issued ASU No. 2011-04, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” This ASU amends U.S. generally accepted accounting principles (U.S. GAAP) and results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and international financial reporting standards (IFRS). The amendments in this ASU change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements; however, the amendment’s requirements do not extend the use of fair value accounting, and for many of the requirements, the FASB did not intend for the amendments to result in a change in the application of the requirements in the “Fair Value Measurement” Topic of the Codification. Additionally, ASU No. 2011-04 includes some enhanced disclosure requirements, including an expansion of the information required for Level 3 fair value measurements. For the

Company, ASU No. 2011-04 was effective January 1, 2012, and the adoption of this ASU is not expected to have a material impact on its consolidated financial statements.

ASU Nos. 2011-05 and 2011-12

On June 16, 2011, the FASB issued ASU No. 2011-05, “Comprehensive Income (Topic 220): Presentation of Comprehensive Income.” This ASU eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. An entity can elect to present items of net income and other comprehensive income in one continuous statement or in two separate, but consecutive, statements.

ASU No. 2011-05 also requires reclassifications of items out of accumulated other comprehensive income to net income to be measured and presented by income statement line item in both the statement where net income is presented and the statement where other comprehensive income is presented. However, on December 23, 2011, the FASB issued ASU No. 2011-12, “Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05” to defer this new requirement. For us, both ASU No. 2011-05 and ASU No. 2011-12 were effective January 1, 2012. Since these ASUs pertain to presentation and disclosure requirements only, the adoption of these ASUs is not expected to have a material impact on the Company’s consolidated financial statements.

ASU No. 2011-07

In July 2011, the FASB ratified the final consensus reached by the Emerging Issues Task Force related to the presentation and disclosure of net revenue, the provision for bad debts, and the allowance for doubtful accounts of healthcare entities and issued ASU No. 2011-07, “Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.” This ASU retains the existing revenue recognition model for healthcare entities, pending further developments in the FASB's revenue recognition project. However, this ASU requires the provision for doubtful accounts associated with patient service revenue to be separately displayed on the face of the statement of operations as a component of net revenue. This ASU also requires enhanced disclosures of significant changes in estimates related to patient bad debts. While this ASU will have no net impact on the Company’s financial position, results of operations, or cash flows, it will require the Company to reclassify its provision for doubtful accounts from operating expenses to a component of net operating revenues beginning with the first quarter of 2012, with retrospective application required. The Company’s historical provision for doubtful accounts has not been material.

ASU No. 2011-08

On September 15, 2011, the FASB issued ASU No. 2011-8, “Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment.” This ASU allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test prescribed by current accounting principles. However, the quantitative impairment test is required if an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. An entity can choose to perform the qualitative assessment on none, some or all of its reporting units. Moreover, an entity can bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative goodwill impairment test, and then resume performing the qualitative assessment in any subsequent period. For the Company, ASU No. 2011-8 was effective January 1, 2012, and the adoption of this ASU is not expected to have a material impact on its consolidated financial statements.

ASU No. 2011-11
On December 16, 2011, the FASB issued ASU No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities." This ASU requires disclosures to provide information to help reconcile differences in the offsetting requirements under U.S. GAAP and IFRS. The disclosure requirements of this ASU mandate that entities disclose both gross and net information about financial instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions subject to an enforceable master netting arrangement or similar agreement. ASU No. 2011-11 also requires disclosure of collateral received and posted in connection with master netting arrangements or similar arrangements. The scope of this ASU includes derivative contracts, repurchase agreements, and securities borrowing and lending arrangements. Entities are required to apply the amendments of ASU No. 2011-11 for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. All disclosures provided by those amendments are required to be provided retrospectively for all comparative periods presented. The Company is currently reviewing the effect of ASU No. 2011-11.

3. Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate the continuation of the Company as a going concern. The Company reported accumulated deficit of $14,257,889 as of quarter end February 29, 2012. As reported on the statement of cash flows, the Company has reported cash used in operating activities of $5,391. To date, these losses and cash flow deficiencies have been financed principally through the raising of equity.

In view of the matters described, there is substantial doubt as to the Company's ability to continue as a going concern without a significant infusion of capital. At February 29, 2012, the Company had minimal operations. There can be no assurance that management will be successful in implementing its plans. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We anticipate that we will have to raise additional capital to fund operations over the next 12 months. To the extent that we are required to raise additional funds to acquire properties, and to cover costs of operations, we intend to do so through additional offerings of debt or equity securities. There are no commitments or arrangements for other offerings in place, no guaranties that any such financings would be forthcoming, or as to the terms of any such financings. Any future financing may involve substantial dilution to existing investors.

4. Capital Stock

From November 24, 1999 (date of inception) until November 30, 2002, the Company (formerly GospelCity.com Inc.) issued 7,875,770 common shares for aggregate cash consideration of $114,640, and 105,000 preferred shares for cash consideration of $67,200.

These figures have been retroactively restated to reflect the 70 for 1 common shares split on August 7, 2002.

On December 16, 2002, the Company issued 98,447 common shares as part of the stock-based compensation plan for cash consideration of $896.

From September 3 to November 27, 2003, the Company issued 669,983 common shares for cash consideration of $76,567.

In connection with the reverse merger described in note 4, on November 28, 2003, the Company issued 95,086,202 common shares in exchange for 8,644,220 common shares of GospelCity.com Inc, 5,775,000 Series A Preferred shares in exchange for 105,000 preferred shares of GospelCity.com Inc, 55,128,975 Series A Preferred shares in settlement of $789,878 in loans payable and accrued interest to shareholders of GospelCity.com Inc, and 9,508, 620 common shares in settlement of consulting and legal services of $50,000.

From March 10 to October 15, 2004, the Company issued 20,930,000 common shares for cash consideration of $230,450.

On July 20, 2004, the Company issued 6,000,000 common shares for investor relations services of $60,000. These transactions were with third parties.

On October 7, 2004, the Company issued 300,000 common shares for the acquisition of the assets of Prayermail.com as described in note 4 and issued 600,000 common shares for investor relations services of $15,600.

On October 11 to November 10, 2004, the Company issued 2,152,474 common shares upon conversion of $15,200 of the convertible debentures plus $2,416 of accrued interest.

From December 13, 2004 to February 14, 2005, the Company issued 3,400,000 common shares upon conversion of $17,050 of convertible debenture plus $1,450 of accrued interest.

On December 22, 2004, the Company issued 30,000,000 common shares for cash consideration of $75,000.

From March 1 to May 1, 2005, the company issued 108,000,000 common shares for cash consideration of $67,500 and a promissory note for $280,000 due on November 30, 2005 bearing interest at 5% per annum.

On March 1, 2005, the Company issued 5,000,000 common shares for investor relations services of $12,500.

On March 8, 2005, the Company issued 1,361,072 common shares upon conversion of $13,449 of convertible debenture plus $162 of accrued interest.

On April 15, 2005, the Company issued 13,333,727 warrants to the related party lender described in note 7. Each warrant entitles the holder to acquire one common share at a price of $0.011 per share. These warrants expire on April 15, 2010. The 13,333,727 warrants have been valued at $105,336 using Black-Scholes option pricing model, which assumed an expected life of 3 years, volatility of 119%, risk free interest rate of 3.8% and no dividend yield. The amount of $105,336 has been charged to the consolidated income statement as other stock based expense and credited to shareholders equity.

On November 2, 2005, the Company issued 13,000,000 common shares upon conversion of $5,688 of the convertible debenture plus $7,091 of accrued interest.

On December 28, 2005 the Company issued 13,000,000 common shares upon conversion of $9,520 plus $663 of accrued interest and 50,000,000 common shares for cash consideration of $50,000.

On August 8, 2006, the company issued 50,000,000 common shares through private placements for cash consideration of $50,000.

On August 8, 2006, the holder of the convertible debentures converted the remaining $14,489, of the debentures plus $1,526 of accrued interest into 29,146,650 common shares.

On November 1, 2007, the Company enacted a 1-for-100 reverse stock split. All fractional shares are rounded up and the authorized shares remain the same. The financial statements have been retroactively restated for the effects of stock splits.

During the year ended November 30, 2007, the Company issued 200 million shares to its investor relation firm and 500,000 shares to its legal counsel. The Company also awarded 250 million shares to a related party for successfully locating and acquiring assets. These shares were valued at the fair market value of $4,025,050, pursuant to EITF 96-18.

On November 27, 2007 the Company recorded a capital contribution of $67,027 on the sale of GospelCity.com Inc. to a related party for $10 for the net liabilities assumed by the related party.

On February 28, 2008, the Company entered into an agreement with System Art Holding Limited to acquire all the assets of System Art Holding Limited in exchange for 150,000,000 (pre- split) shares of common stock of the Company. The assets acquired were recorded at the fair market value of the shares of $1,650,000 on the date of acquisition. The shares were issued in April, 2008.

On June 19, 2008, the Company enacted a 1-for-200 reverse stock split. All fractional shares are rounded up and the authorized shares remain the same. The financial statements have been retroactively restated for the effects of stock splits.

On July 7, 2008, the Company issued 6,000,000 shares to a related party for consulting and 2,000,000 shares to another consultant. The shares were valued at the fair market value of $1,680,000.

On July 30, 2008, the Company issued 9,000 shares to a consultant. The shares were valued at the fair market value of $1,890.

On September 18, 2008, the Company issued 3,000,000 shares to a consultant. The shares were valued at the fair market value of $660,000.

During the year ended November 30, 2009, the Company issued 14,325,346 shares of common stock for cash amounting to 95,000.

On October 1, 2009, the Company issued 3,144,233 shares to shareholders valued at $54,217 as dividend distribution.

The Company also declared and paid cash dividend of $28,513 in April, 2009.

During the nine month period ended August 31, 2010, the Company issued 60,000,000 shares for services rendered to the Company and recorded them at the fair market value of $300,000.

During the nine month period ended August 31, 2010, the Company issued 5,500,000 shares to Series A Preferred stockholders as dividend for the period, valued at $27,500.

On March 3, 2010, the Company issued 40,000,000 shares to Blue Gold Beverages, Inc. for acquisition of assets of Blue Gold Beverages, Inc. and recorded them at the fair market value of $200,000.

On November 7th 2010 the company bought the shares of 9210-8216 Quebec Inc (Ty Recycling) nylon and plastics recycling company with operations in Ontario Canada in exchange for 10,000,000 shares of Blue Gold Beverages the deal was valued at $600,000

On May 3rd, 2011 the company purchased the distribution right for PITBULL energy bars for epic Nutrition Canada for 5 000 000 shares of Blue Gold Beverages, the deal was valued at $100,000. On December 30, 2011, the Company rescinded the shares exchange agreement and the shares were returned.

On June 16th, 2011 Blue Gold Beverages purchased the shares of Epic Nutrition USA for 10,000,000 shares of common stock. The shares were valued at the fair market value of $300,000. On December 30, 2011, the Company rescinded the shares exchange agreement and the shares were returned.

In August 2011, the Company issued 35,000,000 shares for consulting services rendered by third parties.

Preferred stock

During the year ended November 30, 2008, the Company issued 627,184 shares of Series B Convertible Preferred stock pursuant to an offering by the Company of up to $5,000,000 worth of its Convertible Preferred stock for a purchase price of $1.00 per share in minimum units of Ten Thousand (10,000) Shares. In addition, purchasers of this Offering received one warrant for each Share purchased. Each Warrant will allow the purchaser to buy any additional common share of the Company for a price of three ($0.03) cents within two years of the initial purchase of Shares.

The Company valued the beneficial conversion feature on the convertible note and also the black scholes value of the warrants attached to the preferred stock. The total discount was limited to the face value of the preferred stock issued and was recorded as a dividend paid to the preferred stockholders.

During the year ended November 30, 2009, the Company issued 851,673 shares of Preferred stock for cash amounting to $851,673.

Stock Option Plan

The Company has a stock option plan, under which the Company may grant options to employees, non-employee directors, consultants and advisors of the Company or any subsidiary company to purchase common shares. In the case of consultants and advisors of the Company, options are only granted if bona fide services have been or are to be rendered by such consultant or advisor and such services are not in connection with the offer of sale of securities in a capital raising transaction. The option price shall be determined by the Board of Directors of the Company and shall be above the fair market value price of the common stock when granted. The term and vesting period of the options granted shall be determined by the Board of Directors or by its chosen committee.

In 2005, the Company granted options to 14 employees, non-employee directors, and consultants to purchase up to 12,700,000 common shares, in aggregate, at exercise prices ranging from of $0.011 to $0.02 per common share which were greater than or equal to the market price on the date of grant. The expiration dates of the option ranged from 5 to 6 years from the date of grant and the options vested 77% in 2005 and 23% in 2006.

No stock options were granted during the three month period ended February 29, 2012 and there were no options outstanding as of February 29, 2012.

Warrants

The Company granted warrants along with the series B Convertible Preferred Stock which were valued using the black scholes options pricing model. All the warrants expired as of the year ended November 30, 2011. There were no warrants outstanding as of February 29, 2012.

5. Income Taxes

The Company utilizes SFAS No. 109, “Accounting for Income Taxes”, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The following is detail of income tax expense:

Three month period ended February 29, 2012	U.S.	State	Total
Current	$ -	$ -	$ -
Deferred	-	-	-
Total	-	-	-

The following is a reconciliation of the provision for income taxes at the U.S. federal income tax rate to the income taxes reflected in the Statement of Operations:

	Three month period ended February 29, 2012
Tax expense (credit) at statutory rate - federal	34%
State tax expense net of federal tax	6%
Changes in valuation allowance	(40%)
Tax expense at actual rate	-%

We recorded an allowance of 100% for its net operating loss carry forward due to the uncertainty of its realization.

The Company did not provide any current or future United States federal or state tax provision or benefit for the periods presented because it has experienced operating losses since inception. The Company has provided a full valuation allowance on the deferred tax asset, consisting primarily of net operating loss carry forwards, because of uncertainty regarding its ability to be realized.

Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist in an understanding of the Company's financial position and results of operations for the Quarter ending February 29th 2012, and it's Plan of Operation. The financial statements which follow contain information that should be referred to in conjunction with the following discussion.

Blue Gold Beverages, wholly owned subsidiary TY Recycling is a reseller of recycled polymers, the company has identified the worldwide shortage in certain types of plastics, and specifically petroleum based polymers. As a result of this the company is focusing its efforts in the reclamation of polymers, specifically nylon, that have strategically been buried in landfill sites around the world.

The company recently sourced a 2000 metric ton supply of commercial grade type 66 nylon wastes from the McKendry landfill site, located near Kingston Ontario, Canada. We are currently sending out test samples of the Nylon to company's around the globe looking to create solid business specific relationships. The commercial grade type 66 nylon is the most commonly used Polyamide worldwide, and is very high demand.

The Company also has a reclamation agreement in place with the Loyalist Township in Ontario, Canada, to extract approximately 16 000 metric tons of Polyethylene terephthalate (PET) from the Violet Road landfill. The company has shipped samples of the PET to numerous companies and is currently looking for the right partners to fully exploit this landfill.

Utilizing its expertise in the recycling of polymers, TY Recycling has sought out several landfill sites in North America that contain vast quantities commercial grade of Type 66 nylon and Polyethylene Terephthalate.

Nylon-6,6 (PA66) is semi-crystalline polyamide commonly used in fiber applications such as carpeting, clothing, and tire cord. It is also used as an engineering material in bearings and gears due to its good abrasion resistance and self-lubricating properties

Polyethylene terephthalate (sometimes written poly(ethylene terephthalate)), commonly abbreviated PET, PETE, or the obsolete PETP or PET-P, is a thermoplastic polymer resin of the polyester family and is used in synthetic fibres; beverage, food and other liquid containers; thermoforming applications; and engineering resins often in combination with glass fiber.

Depending on its processing and thermal history, polyethylene terephthalate may exist both as an amorphous (transparent) and as a semi-crystalline polymer. The semicrystalline material might appear transparent (particle size < 500 nm) or opaque and white (particle size up to a few microns) depending on its crystal structure and particle size. Its monomer (bis-β-hydroxyterephthalate) can be synthesized by the esterification reaction between terephthalic acid and ethylene glycol with water as a by-product, or by Transesterification reaction between ethylene glycol and dimethyl terephthalate with methanol as a by-product. Polymerization is through a polycondensation reaction of the monomers (done immediately after esterification/transesterification) with water as the by-product.

With growing landfill sites becoming a worldwide problem, landfill reclamation projects provide TY recycling a unique opportunity to assist in cleaning our environment, while earning revenue for the company and enhancing shareholder value. The Company will continue to pursue its business model to include the reclamation of landfill sites and industrial polymer fibre throughout North America.

Expected purchase or sale of plant and significant equipment: The company is looking into the possibility of purchasing some capital equipment to reduce manual labor needed in the cleaning and processing of the recover waste material.

Expected significant changes in the number of employees: None.

A. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>

As the Company began operations as Blue Gold Beverages, Inc., in March 2010, Please see A. <u>Plan of Operations</u> above and Item X Financial Statements

Off-Balance Sheet Arrangements. NONE**.**

Item 5. Legal Proceedings

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations.

Item 6. Defaults upon Senior Securities.

There are no outstanding senior securities and there has been no default thereon.

Item 7. Other information.

None

Item 8 Exhibits

There are no new or amended material contracts or contracted not in the ordinary course of business.

Item 9. Issuer's Certifications

I, Daniel Solomita, certify that:

1. I have reviewed the Quarterly Report of Blue Gold Beverages Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Daniel Solomita

Daniel Solomita, President