

# **Randsburg International Gold Corp.**

**Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian Dollars)**

**(Unaudited)  
Three and Nine Months Ended October 31, 2012**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Randsburg International Gold Corp. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheets date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Michael Opara"*  
Michael Opara  
Chief Executive Officer, President  
and Director

(signed) *"Matthew Chodorowicz"*  
Matthew Chodorowicz  
Chief Financial Officer and Director

Toronto, Canada  
December 19, 2012

## NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

# Randsburg International Gold Corp.

Condensed Consolidated Interim Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	As at October 31, 2012	As at January 31, 2012
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ -	\$ 16,722
Receivables	33,405	29,887
Prepaid expenses	-	2,256
<b>Total Current Assets</b>	<u>33,405</u>	<u>48,865</u>
<b>Non-Current Assets</b>		
Mineral property interests (Note 5)	\$ 182,969	\$ 182,969
Deposits on properties under option (Note 4)	49,000	-
Equipment (Note 6)	735	857
	<u>232,704</u>	<u>183,826</u>
<b>Total Assets</b>	<u>\$ 266,109</u>	<u>\$ 232,691</u>
<b>LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 384,302	\$ 356,950
Liability related to flow-through financing	63,451	63,451
Due to related parties (Note 9)	508,005	305,474
<b>Total Current Liabilities</b>	<u>955,758</u>	<u>725,875</u>
<b>Shareholders' (Deficiency) Equity</b>		
Share capital Note 8)	13,628,895	13,628,895
Reserves (Note 8)	3,522,444	3,467,404
	<u>17,151,339</u>	<u>17,096,299</u>
Deficit	(17,840,988)	(17,589,483)
<b>Total Equity</b>	<u>(689,649)</u>	<u>(493,184)</u>
<b>Total Liabilities and Shareholder's Equity</b>	<u>\$ 266,109</u>	<u>\$ 232,691</u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these statements.

- \* Nature of operations and going concern (Note 1)
- \* Commitments and contingencies (Note 10)
- \* Subsequent events (Note 11)

Approved on behalf of the Board on December 19, 2012:

“ Michael Opara” Director

“Matthew Chodorowicz” Director

# Randsburg International Gold Corp.

## Condensed Consolidated Statement of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended October 31, 2012	Three Months Ended October 31, 2011
<b>Operating expenses</b>		
Amortization	\$ 38	\$ 47
Consulting	10,800	7,545
General exploration expenditures	7,318	-
Interest and bank charges	6,397	3,902
Interest on loan payable	-	-
Listing and transfer agent fees	828	2,929
Management fees	34,500	36,000
Stock-based compensation (Note 8)	-	-
Office and miscellaneous	5,261	5,888
Professional fees	<u>12,670</u>	<u>10,000</u>
<b>Total operating expenses</b>	<u>77,812</u>	<u>66,311</u>
<b>Loss before other items</b>	(77,812)	(66,311)
Other items:		
Gain on settlement of lawsuit	<u>3,941</u>	<u>-</u>
<b>Net Loss and comprehensive income (loss) for the period</b>	(73,871)	(66,311)
<b>Deficit, beginning of period</b>	<u>(17,767,117)</u>	<u>(17,562,368)</u>
<b>Deficit, end of period</b>	<u>\$ (17,840,988)</u>	<u>\$ 17,628,679)</u>
<b>Basic and income (loss) per common share</b>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
<b>Weighted average number of common shares outstanding</b>	<u>28,273,940</u>	<u>25,053,171</u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these statements.

# Randsburg International Gold Corp.

## Condensed Consolidated Statement of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended October 31, 2012	Nine Months Ended October 31, 2011
<b>Operating expenses</b>		
Amortization	\$ 122	\$ 150
Consulting	22,800	27,614
General exploration expenditures	18,070	-
Interest and bank charges	23,658	18,225
Interest on loan payable	-	16,764
Listing and transfer agent fees	9,779	18,320
Management fees	103,500	108,000
Stock-based compensation (Note 8)	55,040	21,850
Office and miscellaneous	9,807	26,734
Professional fees	<u>12,670</u>	<u>38,500</u>
<b>Total operating expenses</b>	<u>(255,446)</u>	<u>(276,157)</u>
<b>Loss before other items</b>	(255,446)	(276,157)
Gain on settlement of lawsuit	3,941	-
Gain on sale of interest in property	<u>-</u>	<u>200,000</u>
<b>Net Loss and comprehensive income (loss) for the period</b>	(251,505)	(76,157)
<b>Deficit, beginning of year</b>	<u>(17,589,483)</u>	<u>(17,552,522)</u>
<b>Deficit, end of period</b>	<u>\$ (17,840,988)</u>	<u>\$ 17,628,679)</u>
<b>Basic and income (loss) per common share</b>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
<b>Weighted average number of common shares outstanding</b>	<u>28,273,940</u>	<u>25,053,171</u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these statements.

# Randsburg International Gold Corp.

## Condensed Consolidated Interim Statement of Equity

(Expressed in Canadian Dollars)

(Unaudited)

	<u>Number of Shares</u>	<u>Common Shares</u>	<u>Reserves for Share-based Payments</u>	<u>Reserves for warrants</u>	<u>Deficit</u>	<u>Total Equity (Deficit)</u>
	<u>23,873,940</u>	<u>\$ 13,536,495</u>	<u>\$3,247,212</u>	<u>\$ 55,492</u>	<u>\$ (17,552,522)</u>	<u>\$ (713,323)</u>
<b>Balance, January 31, 2011</b>						
Private placement (note 11)	4,400,000	220,000				220,000
Stock – based compensation			21,850			
Fair value assigned to warrants		(83,600)		83,600		
Fair value assigned to brokers warrants				950		950
Net loss and comprehensive loss for the period					(76,157)	(76,157)
<b>Balance, October 31, 2011</b>	<b>28,273,940</b>	<b>13,672,895</b>	<b>3,269,062</b>	<b>140,042</b>	<b>(17,628,679)</b>	<b>(546,680)</b>
Expiry of warrants			55,492	(55,492)		
Stock-based compensation			13,800			13,800
Fair value assigned to warrants		(44,000)		44,000		
Fair value assigned to brokers warrants				500		500
Net income for the period					(39,196)	39,196
<b>Balance, January 31, 2012</b>	<b>28,273,940</b>	<b>\$ 13,628,895</b>	<b>\$3,338,354</b>	<b>\$129,050</b>	<b>\$ (17,589,483)</b>	<b>\$(493,184)</b>
Stock based compensation			55,040			55,040
Net loss and comprehensive loss for the period					(251,505)	(251,505)
<b>Balance, October 31, 2012</b>	<u><b>28,273,940</b></u>	<u><b>\$ 13,628,895</b></u>	<u><b>\$ 3,393,394</b></u>	<u><b>\$ 129,050</b></u>	<u><b>\$ (17,840,988)</b></u>	<u><b>\$ (689,649)</b></u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these statements.

# Randsburg International Gold Corp.

## Condensed Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Nine Month Period Ended October 31, 2012</b>	<b>Nine Month Period Ended October 31, 2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (251,505)	\$ (83,283)
Items not involving cash:		
Amortization	122	53
Accretion on loan payable	-	16,764
Interest on related party loans and advances	13,184	4,769
Stock based compensation	55,040	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(3,518)	(4,772)
(Decrease) increase in accounts payable and accrued liabilities	(51,700)	8,791
Increase in provision for lawsuit	79,018	-
Decrease in prepaid expenses	2,256	-
Increase in due to related parties	189,349	57,615
Net cash used in operating activities	<u>32,246</u>	<u>(63)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit on mining property interest under option	<u>(49,000)</u>	<u>-</u>
Net cash provided by investing activities	<u>(49,000)</u>	<u>-</u>
<b>Changes in cash and cash equivalents for the year</b>	<u>(16,754)</u>	<u>(63)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>16,722</u>	<u>406</u>
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ (32)</u></u>	<u><u>\$ 343</u></u>
<b>Cash, paid for interest</b>	<u><u>Nil</u></u>	<u><u>Nil</u></u>
<b>Cash, paid for income taxes</b>	<u><u>Nil</u></u>	<u><u>Nil</u></u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these statements.

# **RANDBURG INTERNATIONAL GOLD CORP.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**October 31, 2012**

---

### **1. Nature and Continuation of Operations**

Randsburg International Gold Corp. (the "Company") was incorporated under the laws of British Columbia. The primary office is located at 44 Victoria Street, Suite 1101, Toronto, Ontario, Canada, M5C 1Y2.

The condensed consolidated interim financial statements of Randsburg International Gold Corp. for the three month period ended October 31, 2012 and 2011 were reviewed by and authorized for issue by the Board of Directors on December 19, 2012.

The Company's principal business activity is the acquisition and exploration of mineral property interests in Canada and South America. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and developing these property interests. The Company has not determined whether its properties contain ore reserves which are economically recoverable. The recovery of the amounts shown for mining properties is dependent upon the existence of economically ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of its properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize on its assets and settle its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

### **2. Going Concern**

The Company has incurred operating losses over the last several years, earns no operating revenues and has a working capital deficiency of \$922,353 as at October 31, 2012; (January 31, 2012 - \$677,010). While the Company has been successful in obtaining its required financing in the past, through additional equity and non-arms length loans, there is no assurance that such financing will be available or be available on favorable terms. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration in which it has an interest, in accordance with industry standards for the current stage of exploration. These procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.



# **RANDBURG INTERNATIONAL GOLD CORP.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

---

### **3. Basic of Preparation**

#### *(a) Statement of Compliance*

The Company applies International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("ISAB"). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of December 19 2012, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2012. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ended January 31, 2012 could result in restatement of these condensed interim financial statements.

*New standards not yet adopted and interpretations issued but not in effect in the most recent annual consolidated statements as at and for the year ended January 31, 2012.*

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated statements as at and for the year ended January 31, 2012.

### **4. Deposits on Properties under Option**

a) On March 29, 2012, the Company signed a Memorandum of Understanding ((MOU) to acquire a 100% interest in the Nathalie Phosphate Project located at Bai-Comeau, Quebec. The MOU gives The Company the right to acquire a 100% interest subject to a 2% NSR in 53 claims. In addition the Company also acquired by staking, an additional 40 contiguous claims. In order to acquire this interest the Company must pay \$12,000 (paid) and issue 2,000,000 common shares over four years. In addition the Company must spend \$200,000 on exploration expenditures.

b) On April 2, 2012, the Company signed a Memorandum of Understanding ((MOU) to acquire a 90% interest in the Pokiok Settlement Project located at Fredricton, New Brunswick. The MOU gives the Company the right to acquire a 90% interest subject to a 2% NSR in 30 claims. In order to acquire this interest the Company must pay \$500,000 and issue 250,000 common shares over four years. In addition the Company must spend \$500,000 on exploration expenditures. The Company has paid \$10,000.

# RANDBURG INTERNATIONAL GOLD CORP.

## Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

October 31, 2012

### 5. Mineral Property Interests

	Blue Falcon Property	Flett & Angus Property	Total
Acquisition costs			
Balance, beginning and end of period	\$ -	\$ 117,000	\$ 117,000
Exploration costs			
Balance, beginning and end of period	30,000	35,969	65,969
Total mineral property interests	\$ 30,000	\$ 152,969	\$ 182,969

#### Title to mining property interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**Blue Falcon Property:** On February 18, 2009, the Company's 85% owned subsidiary company Blue Falcon entered into an agreement to acquire a 50% to 75% interest in certain mining claims located in Goias State, Brazil from a private Brazilian company. In addition the Company would acquire a 50% interest in related plant and equipment.

The Company has declared "force majeure" in respect of its obligations under an option agreement which has expired due to flooding on the claims caused by a hydroelectric project. The Company expects that the delay caused by "force majeure" to be determined by legal clarification of allowable mineral exploration and mining activities on the claims in the circumstances. The Company is required to pay up to US\$120,000 in additional fees in order to acquire its interest in the claims. The Company has advised its partner that no further payments will be made until the issue of "force majeure" is resolved to the Company's satisfaction. The Company has written off its interests in these claims in the amount of \$214,283. The Company still maintains other claims at a cost of \$30,000.

**Flett & Angus Townships, Northern Ontario:** Company holds a 100% interest in certain claims located in the Flett ar that are subject to a 3% NSR that can be purchased by the Company for \$1,500,000. On January 14, 2010 the Company entered into an Option Agreement with Prophecy Resources Corp. ("Prophecy") whereby Prophecy has been granted the option to earn an 80% interest in the Titan Project by paying an aggregate of \$500,000 and incurring \$200,000 in exploration expenditures by December 31, 2010. The Company has the option of selling its remaining 20% interest in the property to Prophecy until December 31, 2012 for \$150,000 or 400,000 common shares of Prophecy. During the year ended January 31, 2011 the Company received \$100,000 (2010 - \$200,000) in respect of the agreement.

Pursuant to the agreement the remaining \$200,000 is to be applied against the Company's loan payable to ensure the property is free and clear of all mortgages and encumbrances (Note 7). Due to delays in development, the company wrote off costs of \$1,936,201, leaving the property at its realizable value of \$350,000 during 2011. During the year ended January 31, 2012 the Company received the balance of the option payments due being \$200,000 which was paid directly to discharge the loan payable. In addition the Company received \$114,742 from the Prophecy as Prophecy had not spent its required exploration expenditures on the property.

# **RANDBURG INTERNATIONAL GOLD CORP.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

---

### **6. Equipment**

	<b><u>October 31, 2012</u></b>	<b><u>January 31, 2012</u></b>
Geological and Satellite communication equipment	\$ 5,595	\$ 5,595
Accumulated amortization	<u>(4,860)</u>	<u>(4,738)</u>
	<u>\$ 735</u>	<u>\$ 857</u>

### **7. Accounts Payable and accrued liabilities**

On October 24, 2012 the Company settled a claim which was commenced in 2005 by a company that was contracted to assist in constructing roads on its Titan project in Flett and Angus Township. The original amount of the claim was for \$106,782, plus interest. The two parties agreed to settle the amount of the claim by the Company paying \$45,000 on April 24, 2013 and \$40,000 on October 24, 2013 for a total of \$85,000. The fair value of this liability which is included in accounts payable and accrued liabilities is \$77,840 and was estimated by discounting the future payments between interest and principal and will be accreted to the \$85,000 face value using the estimated effective interest rate of 12%. This resulted in an accounting gain of \$3,791 in the current period after providing for estimated legal and other direct costs of \$25,000 to settle the lawsuit. The discounted amount of \$7,160 is being amortized on a straight line basis over the term of the settlement agreement being 12 months and will be disclosed as interest expense.

# RANDBURG INTERNATIONAL GOLD CORP.

## Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

October 31, 2012

### 8. Share capital and reserves

	Number of Shares	Share Capital
Authorized Unlimited common shares, without par value		
Issued		
Balance, January 31, 2011	23,873,940	\$ 13,536,495
Private placements	4,400,000	220,000
Fair value assigned to warrants	-	(127,600)
Balance, October 31, 2012 and January 31, 2012	28,273,940	\$ 13,628,895

#### Private placements

On May 24, 2011, the Company completed a non-brokered private placement of \$220,000 consisting of the sale of 4,400,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one non-transferable share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.10 per share for 1 year. The Company granted 50,000 brokers warrants with similar terms to the unit warrants as finders' fees.

The fair value of \$1,450 of the brokers warrants issued was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.59%
Expected life of warrants	1 years
Expected volatility	203%
Expected dividend yield	0%

## RANDBURG INTERNATIONAL GOLD CORP.

### Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

October 31, 2012

#### 8. Share capital and reserves (cont'd...)

##### Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

	Options		Warrants	
	Number of Options	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2011	1,500,000	\$ 0.11	3,359,900	\$ 0.15
Granted	1,150,000	0.10	4,400,000	0.10
Broker warrants			50,000	0.10
Expired	<u>(1,500,000)</u>	(0.11)	<u>(3,359,900)</u>	0.15
Balance, January 31, 2012	<u>1,150,000</u>	0.10	<u>4,450,000</u>	0.10
Granted	1,600,000	0.10	-	-
Cancelled	<u>(100,000)</u>	(0.10)	<u>(50,000)</u>	-
Balance, October 31, 2012	<u>2,750,000</u>	0.10	<u>4,400,000</u>	0.10
Exercisable at October 31, 2012	2,650,000	\$ 0.10	4,400,000	\$ 0.10

---

---

## **RANDBURG INTERNATIONAL GOLD CORP.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

---

#### **8. Share capital and reserves (cont'd...)**

As at October 31, 2012, the following stock options, warrants and agent's warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
<b>Options</b>	1,050,000	\$0.10	May 20, 2013
	1,600,000	\$0.10	April 16, 2014
<b>Warrants</b>	4,400,000	\$0.10	May 20, 2013

#### **Share-based compensation**

During fiscal 2011, the Company granted 1,600,000 incentive options to directors, officers, consultants and an employee. Of those options 450,000 were cancelled in fiscal 2011. All remaining 1,150,000 unexercised options along with the 350,000 options carried forward from fiscal 2010 expired in fiscal 2012.

During the year ended January 31, 2012, the Company granted 1,150,000 incentive stock options to directors, officers and consultants. A value of \$35,650 was assigned to these options using the Black-Scholes option pricing model with the assumptions listed below. Total share - based compensation recognized in the statement of operations during fiscal 2012 was \$35,650. The total amount of the share-based compensation was also added to the reserves for share-based payments on the statement of financial position.

During the three month period ended April 30, 2011, the Company granted 1,600,000 incentive stock options to directors, officers and consultants. A value of \$55,040 was assigned to these options using the Black-Scholes option pricing model with the assumptions listed below. Total share - based compensation recognized in the statement of operations during the three month period ended April 30, 2012 was \$55,040. The total amount of the share-based compensation was also added to the reserves for share-based payments on the statement of financial position.

---

## **RANDBURG INTERNATIONAL GOLD CORP.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

---

The following weighted average assumptions were used for the valuation of stock options:

---

	Three Month Period Ended April 30, 2012
Risk-free interest rate	1.60%
Expected life of options	2 years
Annualized volatility	205%
Dividend rate	0.00%

---

---

	Year Ended January 31, 2012
Risk-free interest rate	1.60%
Expected life of options	2 years
Annualized volatility	205%
Dividend rate	0.00%

---

Total share-based compensation recognized in the statement of operations during fiscal 2010 was \$104,128. The total amount of the stock-based compensation was also added to the reserves for share-based payment on the statement of financial position.

The following weighted average assumptions were used for the valuation of stock options:

---

	Year Ended January 31, 2010
Risk-free interest rate	1.28%
Expected life of options	2 years
Annualized volatility	136%
Dividend rate	0.00%

---

---

## **RANDSBURG INTERNATIONAL GOLD CORP.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

---

#### **9. RELATED PARTY TRANSACTIONS**

During the nine month period ended October 31, 2012 the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Paid or accrued management fees of \$103,500 (2011 - \$108,000) to two directors of the Company.
- b) Accrued interest of \$13,184 (2011 - \$12,503) to a director and person related to the president of the Company.

The balances due to related parties as at October 31, 2012 and January 31, 2012 are summarized below:

	<u>October 31, 2012</u>	<u>January 31, 2012</u>
Advances from a director of \$30,026 (2012 - \$30,026) that bears interest at an annual rate of 12%, is unsecured, and has no fixed terms of repayment. The total includes accrued interest of \$27,090 (2012- \$22,269)	\$ 57,116	\$ 52,295
Advances net of repayment from a person related to the President of the Company that bears interest at an annual rate of 12% and have no fixed terms of repayment. The advances are secured by the Company's equity interest in its subsidiary Blue Falcon as well as a General Security Agreement. The total includes accrued interest of \$18,195; (2012 - \$10,429)	118,812	53,452
Advances due to the President and a Company controlled by the President that are non-interest bearing and have no fixed terms of repayment.	230,845	131,649
Advances due to two directors that are unsecured, non-interest bearing and have no fixed terms of repayment.	101,232	68,078
	<u>\$ 508,005</u>	<u>\$ 305,474</u>



# **RANDBURG INTERNATIONAL GOLD CORP.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**October 31, 2012**

### **10. COMMITMENTS AND CONTINGENCIES**

During 2005, an individual brought a claim against the Company alleging entitlement to incentive stock options. The individual is seeking damages of \$500,000. In the opinion of management the claim is without merit and no provision has been made in the accounts of the Company.

### **11. SUBSEQUENT EVENTS**

There are no subsequent events to report up to and including December 19, 2012, the date the Board of Directors approved these financial statements.

### **12. SEGMENTED INFORMATION**

The Company's one reportable operating segment is the acquisition and exploration of mineral resource properties. Geographic information is as follows:

	October 31, 2012	January 31, 2012
Current assets - Canada	\$ 33,405	\$ 48,865
Capital assets - Canada	735	857
Mineral Property Interests (including deposits under option)		
Canada	182,969	182,969
Brazil	49,000	-
	231,969	182,969
Total	\$ 266,109	\$ 232,691