

# **Randsburg International Gold Corp.**

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

**(Unaudited)  
Three and Six Months Ended July 31, 2014**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The condensed interim 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 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 financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards 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 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 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 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  
*September 15, 2014*

## NOTICE TO READER

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

# Randsburg International Gold Corp.

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

	As at July 31, 2014	As at January 31, 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 184	\$ 5,829
Receivables	4,729	8,385
Prepaid expenses	-	-
<b>Total Current Assets</b>	<u>4,913</u>	<u>14,214</u>
<b>Non-Current Assets</b>		
Mineral property interests (Note 5)	152,969	152,969
Deposits on properties under option (Note 4 )	41,550	41,550
Equipment (Note 6)	<u>513</u>	<u>568</u>
	<u>195,032</u>	<u>195,087</u>
<b>Total Assets</b>	<u>\$ 199,945</u>	<u>\$ 209,301</u>
<b>LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 249,286	\$ 260,913
Liability related to flow-through financing	95,541	95,541
Due to related parties (Note 9)	<u>885,974</u>	<u>835,327</u>
<b>Total Current Liabilities</b>	<u>1,230,801</u>	<u>1,191,781</u>
<b>Shareholders' (Deficiency) Equity</b>		
Share capital Note 8)	13,628,895	13,628,895
Contributed surplus(Note 8)	3,566,604	3,566,604
Reserve for warrants (Note 8)	<u>-</u>	<u>-</u>
	17,195,499	17,195,499
Deficit	<u>(18,226,355)</u>	<u>(18,177,979)</u>
<b>Total Equity</b>	<u>(1,030,856)</u>	<u>(982,480)</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 199,945</u>	<u>\$ 209,301</u>

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

\* Nature of operations and going concern (Note 1)

5

Approved on behalf of the Board on *September 15, 2014*

“Michael Opara” \_\_\_\_\_ Director

“Matthew Chodorowicz” \_\_\_\_\_ Director

# Randsburg International Gold Corp.

Condensed Interim Statement of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Three Months Ended <u>July 31, 2014</u></b>	<b>Three Months Ended <u>July 31, 2013</u></b>
<b>Operating expenses</b>		
Amortization	\$ 27	\$ 33
Consulting	2,500	6,678
General exploration expenditures	6,730	1,968
Interest and bank charges	10,518	13,662
Listing and transfer agent fees	2,957	4,598
Legal & audit	1,000	6,990
Management fees	4,500	32,250
Office & miscellaneous	<u>274</u>	<u>4,879</u>
<b>Total operating expenses</b>	<u>28,506</u>	<u>71,058</u>
<b>Loss before other items</b>	(28,506)	(71,058)
Other items:		
Cost Recoveries	<u>-</u>	<u>30,000</u>
<b>Net Loss and comprehensive (loss) for the period</b>	(28,506)	( 41,058)
<b>Deficit, beginning of period</b>	<u>(18,197,849)</u>	<u>(17,977,548)</u>
<b>Deficit, end of period</b>	<u>\$ (18,226,355)</u>	<u>\$ (18,018,606)</u>
<b>Basic and fully diluted (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>28,273,940</u>

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

# Randsburg International Gold Corp.

## Condensed Interim Statement of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Six Months Ended <u>July 31, 2014</u></b>	<b>Six Months Ended <u>July 31, 2013</u></b>
<b>Operating expenses</b>		
Amortization	\$ 55	\$ 68
Consulting	5,000	12,678
General exploration expenditures	6,730	1,968
Interest and bank charges	20,291	21,415
Legal & audit	1,000	6,990
Listing and transfer agent fees	13,078	9,798
Management fees	9,000	66,750
Office & miscellaneous	<u>791</u>	<u>7,183</u>
<b>Total operating expenses</b>	<u>55,945</u>	<u>126,850</u>
<b>Loss before other items</b>	(55,945)	(126,850)
Other items:		
Cost Recoveries	<u>7,569</u>	<u>60,000</u>
<b>Net Loss and comprehensive (loss) for the period</b>	(48,376)	(66,850)
<b>Deficit, beginning of period</b>	<u>(18,177,979)</u>	<u>(17,951,756)</u>
<b>Deficit, end of period</b>	<u>\$ (18,226,355)</u>	<u>\$ 18,018,606)</u>
<b>Basic and fully diluted (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>28,273,940</u>

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

# RANDBURG INTERNATIONAL GOLD CORP.

## Statement of changes in Equity (Expressed in Canadian Dollars)

	<u>Number of Shares</u>	<u>Common Shares</u>	<u>Contributed Surplus</u>	<u>Reserves for warrants</u>	<u>Deficit</u>	<u>Total Equity (Deficit)</u>
<b>Balance, January 31, 2013</b>	28,273,940	\$ 13,628,895	\$ 3,437,554	\$ 129,050	\$ (17,951,756)	\$ (756,257)
Expiry of warrants			129,050	(129,050)		
Net loss for the period					(66,850)	(66,850)
<b>Balance, July 31, 2013</b>	<b>28,273,940</b>	<b>13,628,895</b>	<b>3,566,604</b>	<b>-</b>	<b>(18,018,606)</b>	<b>(823,107)</b>
Expiry of warrants						
Net loss for the period	-				(159,373)	(159,373)
<b>Balance, January 31, 2014</b>	28,273,940	13,628,895	3,566,604	-	(18,177,979)	(982,480)
Net loss for the period					(48,376)	(48,376)
<b>Balance, July 31, 2014</b>	<u>28,273,940</u>	<u>\$ 13,628,895</u>	<u>\$ 3,566,604</u>	<u>\$ -</u>	<u>\$ (18,226,355)</u>	<u>\$ (1,030,856)</u>

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

# RANDBURG INTERNATIONAL GOLD CORP.

## Statement of Cash Flows (Expressed in Canadian Dollars)

	<b>Six Month Period Ended July 31, 2014</b>	<b>Six Month Period Ended July 31, 2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (48,376)	\$ (66,850)
Items not involving cash:		
Amortization	55	68
Interest on related party loans and advances	20,086	13,433
-		
Changes in non-cash working capital items:		
Decrease in receivables	3,655	(19,565)
(Decrease) in accounts payable and accrued liabilities	(11,626)	(47,693)
Decrease in prepaid expenses	-	2,303
Increase in due to related parties	30,561	119,751
Net cash used in operating activities	<u>(5,645)</u>	<u>1,447</u>
<b>Changes in cash and cash equivalents for the year</b>	<b>(5,645)</b>	<b>1,447</b>
Cash and cash equivalents, beginning of year	5,829	72
<b>Cash and cash equivalents, end of period</b>	<b><u>\$ 184</u></b>	<b><u>\$ 1,519</u></b>
Cash, paid for interest	<u>Nil</u>	<u>Nil</u>
Cash, paid for income taxes	<u>Nil</u>	<u>Nil</u>

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

# RANDBURG INTERNATIONAL GOLD CORP.

## Notes to Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

July 31, 2014

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### 1. Nature and Continuation of Operations

Randsburg International Gold Corp. (the "Company") was incorporated under the laws of British Columbia.

The condensed interim financial statements of Randsburg International Gold Corp. for the three and six month period ended July 31, 2014 and 2013 were reviewed by and authorized for issue by the Board of Directors on *September 15, 2014*.

The Company's principal business activity is the acquisition and exploration of mineral property interests in Canada. 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 \$1,225,888 as at July 31, 2014; (January 31, 2014 - \$1,177,567). While the Company has been successful in obtaining its required financing in the past, through additional equity and non-arm's 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 Interim Financial Statements**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**July 31, 2014**

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### **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 interim financial statements are based on IFRSs issued and outstanding as of *September 15, 2014*, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2014. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ended January 31, 2015 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 statements as at and for the year ended January 31, 2014.*

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual statements as at and for the year ended January 31, 2014.

### **4. DEPOSITS ON PROPERTY UNDER OPTION:**

	<b>Balance July 31, 2014</b>	<b>Balance January 31, 2014</b>
Acquisition costs	\$ 12,000	\$ 12,000
Write Off	0	0
Exploration costs	29,550	29,550
<b>Book Value of Mineral Property</b>	<b>\$ 41,550</b>	<b>\$ 41,550</b>

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.

On March 1, 2013 the Company signed an Amending Agreement (“Agreement”) to the Memorandum of Understanding (“MOU”) signed in March 2012 to acquire a 100% interest in the Nathalie Phosphate Project. The terms of the Agreement are significantly improved for the Company over those contained in the original MOU. This Agreement is now the definitive agreement between the parties.

## **RANDBURG INTERNATIONAL GOLD CORP.**

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

**(Expressed in Canadian dollars)**

**July 31, 2014**

#### **4. DEPOSITS ON PROPERTY UNDER OPTION (continued):**

Under the terms of the Amended Agreement the Company must pay the Vendors: 500,000 shares in the stock of the Company within 45 days of the TSX Venture Exchange's ("TSXV") approval and an additional 500,000 shares on August 25, 2013. To acquire 100% of the property, Randsburg must issue an additional 500,000 shares by February 25, 2014, and 500,000 shares by February 25, 2015. The Vendors shall have received a total of 2,000,000 shares should the Company acquire a 100% interest in the Project. No further payments of shares or cash are required to be paid to the Vendors.

The Company is not required to make any expenditures going forward on the Project but is required to keep claims in ‘good-standing’ during the term of the option Agreement. Randsburg may purchase 0.4% of the above 1.5% Net Smelter Royalty by paying the Vendors \$400,000 at any time following the commencement of commercial production from the Nathalie Claims. Randsburg has the right of first refusal to purchase the balance of the NSR. Completion of the acquisition and payment of securities remains subject to regulatory approval. The securities of the Company to be issued on the acquisition will be subject to a four month hold period.

#### **5. MINERALPROPERTY INTERESTS**

	<b>Balance July 31, 2014</b>	<b>Balance January 31, 2014</b>
<b>Flett and Angus Township</b>		
Acquisition costs	\$ 117,000	\$ 117,000
Exploration costs	35,969	35,969
<b>Book Value</b>	<b>\$ 152,969</b>	<b>\$ 152,969</b>
<b>Total Costs</b>	<b>\$ 152,969</b>	<b>\$ 152,969</b>

**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.

**Flett & Angus Townships, Northern Ontario:** Company holds a 100% interest in certain claims located in the Flett and Angus Townships 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.

## **RANDBURG INTERNATIONAL GOLD CORP.**

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

**(Expressed in Canadian dollars)**

**July 31, 2014**

#### **6. EQUIPMENT**

	<b>July 31, 2014</b>	<b>January 31, 2014</b>
Geological and Satellite communication equipment	\$ 5,595	\$ 5,595
Accumulated amortization	<u>(5,082)</u>	<u>(5,027)</u>
	<u>\$ 513</u>	<u>\$ 568</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 and was included in accounts payable and accrued liabilities as at January 31, 2012. This claim was fully settled during fiscal 2014 after the Company paid \$85,000 to the claimant. All amounts related to this claim have been written off to income or expensed as appropriate.

#### **8. SHARE CAPITAL**

Authorized:		
Unlimited	Common shares, without par value	
		<b>July 31, 2014</b>
		<b>January 31, 2014</b>
Issued:		
Common shares - 28,273,940 (2014 - 28,273,940)		<u>\$ 13,628,895</u>
		<u>\$ 13,628,895</u>

## RANDBURG INTERNATIONAL GOLD CORP.

### Notes to Condensed Interim Financial Statements

(Expressed in Canadian dollars)

July 31, 2014

#### 8. SHARE CAPITAL (continued):

##### 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, 2013	2,650,000	\$ 0.11	4,400,000	\$ 0.10
Expired	<u>(1,050,000)</u>	(0.11)	<u>(4,400,000)</u>	<u>(0.10)</u>
Balance, January 31, 2014	<u>1,600,000</u>	0.10	<u>nil</u>	<u>0.10</u>
Expired	<u>(1,600,000)</u>	(0.10)	<u>-</u>	<u>(0.10)</u>
Balance, July 31, 2014	<u>nil</u>	0.10	<u>nil</u>	<u>-</u>

Exercisable at July 31, 2014	nil	\$	0.10	nil	\$	nil
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As at July 31, 2014, there were no stock options or warrants outstanding.

## **RANDBURG INTERNATIONAL GOLD CORP.**

**Notes to Condensed Interim Financial Statements**

**(Expressed in Canadian dollars)**

**July 31, 2014**

### **8. SHARE CAPITAL (continued):**

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

No options were granted or exercised during the period ended July 31, 2014.

During the year ended January 31, 2013, 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 year ended January 31, 2013 was \$99,200.

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

	Year Ended January 31, 2013
Risk-free interest rate	1.60%
Expected life of options	2 years
Annualized volatility	205%
Dividend rate	0.00%

## **RANDBURG INTERNATIONAL GOLD CORP.**

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

**(Expressed in Canadian dollars)**

**July 31, 2014**

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

During the three month period ended July 31, 2014 the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Paid or accrued management fees of \$4,500 (2013 - \$32,250) to two directors of the Company.
- b) Accrued interest of \$10,405 (2013 - \$13,587) to a director and a person related to the president of the Company.

The balances due to related parties as at July 31, 2014 and January 31, 2014 are summarized below:

	<u>July 31, 2014</u>	<u>January 31, 2014</u>
Advances from a director of \$30,026 (2013 - \$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 \$40,158 (2014- \$36,182)	\$ 70,184	\$ 66,208
Advances net of repayment from Elena Opara, 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 a General Security agreement. The total includes accrued interest of \$39,650; (2014 - \$23,540).		293,592
Advances due to the President and a Company controlled by the President that are non-interest bearing and have no fixed terms of repayment.	402,165	391,104

Advances due to a director that are unsecured, non-interest bearing and have no fixed terms of repayment.	97,881	94,881
Advances due to a director that are unsecured, non-interest bearing and have no fixed terms of repayment.	22,152	22,152
	<u>\$ 885,974</u>	<u>\$ 835,327</u>

## 10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral resource properties in Canada.