

RANDBURG INTERNATIONAL GOLD CORP.
FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

JANUARY 31, 2015 and 2014

Mahendra CA
Professional Corporation
217-445 Apple Creek Blvd.
Markham, ON L3R 9X7
Tel: 905-474-1110
Fax: 905-947-0165
navinmahendra@bellnet.ca



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Randsburg International Gold Corp.

I have audited the accompanying financial statements of Randsburg International Gold Corp. which comprise the statements of financial position as at January 31, 2015 and 2014 and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Randsburg International Gold Corp. as at January 31, 2015 and 2014 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Randsburg International Gold Corp.'s ability to continue as a going concern.

"Mahendra CA Professional Corporation"

Mahendra CA Professional Corporation
Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
Markham, Ontario
May 28, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The 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
May 28, 2015

RANDBURG INTERNATIONAL GOLD CORP.

Statements of Financial Position (Expressed in Canadian Dollars)

	As at <u>January 31, 2015</u>	As at <u>January 31, 2014</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ -	\$ 5,829
Hst receivable	<u>6,927</u>	<u>8,385</u>
Total Current Assets	<u>6,927</u>	<u>14,214</u>
Non-Current Assets		
Mineral property interests (Note 6)	152,969	152,969
Deposits on properties under option (Note 5)	-	41,550
Equipment (Note 7)	<u>463</u>	<u>568</u>
	<u>153,432</u>	<u>195,087</u>
Total Assets	<u>\$ 160,359</u>	<u>\$ 209,301</u>
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY		
Current Liabilities		
Bank indebtedness	\$ 132	\$ -
Accounts payable and accrued liabilities (Note 8)	271,163	260,913
Liability related to flow-through financing	95,541	95,541
Due to related parties (Note 10)	<u>925,507</u>	<u>835,327</u>
Total Current Liabilities	<u>1,292,343</u>	<u>1,191,781</u>
Shareholders' (Deficiency) Equity		
Share capital (Note 9)	13,628,895	13,628,895
Contributed surplus (Note 9)	<u>3,566,604</u>	<u>3,566,604</u>
	17,195,499	17,195,499
Deficit	<u>(18,327,483)</u>	<u>(18,177,979)</u>
Total Equity	<u>(1,131,984)</u>	<u>(982,480)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 160,359</u>	<u>\$ 209,301</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board :

"Michael Opara" Director

"Matthew Chodorowicz" Director

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

RANDBURG INTERNATIONAL GOLD CORP.

Statement of Operations and Comprehensive Loss (Expressed in Canadian Dollars)

	Year Ended January 31, 2015	Year Ended January 31, 2014
Amortization	\$ 105	\$ 130
Consulting	10,224	28,544
General exploration expenditures	13,839	0
Write off of Deposits on Properties (Note 5)	41,550	2,710
Interest and bank charges(Note 10(b))	42,804	47,931
Listing and transfer agent fees	19,230	13,893
Management fees (Note 10(a))	18,000	131,250
Office and miscellaneous	7,269	11,235
Professional fees	<u>8,060</u>	<u>44,697</u>
Total operating expenses	<u>161,081</u>	<u>280,390</u>
Loss before other items	(161,081)	(280,390)
Cost recoveries	11,577	60,000
Penalties and interest	<u>-</u>	<u>(5,833)</u>
Net Loss and Comprehensive Loss for the Year	(149,504)	(226,223)
Deficit, beginning of Year	<u>(18,177,979)</u>	<u>(17,951,756)</u>
Deficit, end of Year	<u>\$ (18,327,483)</u>	<u>\$ (18,177,979)</u>
Basic and diluted income (loss) per common share	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>
Weighted average number of common shares outstanding	<u>28,273,940</u>	<u>28,273,940</u>

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

RANDSBURG 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>Reserve for Warrants</u>	<u>Deficit</u>	<u>Total Equity (Deficiency)</u>
Balance, January 31, 2013	<u>28,273,940</u>	<u>\$ 13,628,895</u>	<u>\$ 3,437,554</u>	<u>\$ 129,050</u>	<u>\$ 17,951,756</u>	<u>\$ (756,257)</u>
Transactions in year:						
Expiry of warrants			129,050	(129,050)		
Loss for period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,223)</u>	<u>(226,223)</u>
Balance, January 31, 2014	<u>28,273,940</u>	<u>13,628,895</u>	<u>3,566,604</u>	<u>-</u>	<u>(18,177,979)</u>	<u>(982,480)</u>
Transactions in period:						
Loss for the Period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,504)</u>	<u>(149,504)</u>
Balance, January 31 2015	<u>28,273,940</u>	<u>\$ 13,628,895</u>	<u>\$ 3,566,604</u>	<u>\$ -</u>	<u>\$(18,327,483)</u>	<u>\$(1,131,984)</u>

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

RANDSBURG INTERNATIONAL GOLD CORP.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended January 31, <u>2015</u>	Year Ended January 31, <u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss for the period	\$ (149,504)	\$ (226,223)
Amortization	105	130
Write off on Deposits on Properties	41,550	-
Interest on related party loans and advances	<u>42,172</u>	<u>30,905</u>
	(65,677)	(195,188)
Changes in non-cash operating working capital:		
(Increase) decrease in receivable	1,457	1,811
(Increase) decrease in prepaid expenses	-	2,303
Increase (decrease) in accounts payable and accrued liabilities	10,251	(48,830)
Increase in liability for flow-through financing	-	5,833
Increase(decrease) in due to related parties	<u>48,008</u>	<u>239,828</u>
Net cash used in operating activities	<u>(5,961)</u>	<u>5,757</u>
Changes in cash and cash equivalents during the year	(5,961)	5,757
Cash and cash equivalents; beginning of year	<u>5,829</u>	<u>72</u>
Cash and cash equivalents (bank indebtedness); end of year	<u>\$ (132)</u>	<u>\$ 5,829</u>
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 financial statements are an integral part of these statements.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
(Expressed in Canadian Dollars)
January 31, 2015

1. NATURE OF OPERATIONS AND GOING CONCERN

Randsburg International Gold Corp. (the "Company") was incorporated under the laws of British Columbia on July 6, 1990.

The Company is listed on the TSX Venture Exchange, having the symbol RGZ-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 44 Victoria Street, Suite 710, Toronto, Ontario, M5C1Y2 Canada.

The financial statements of Randsburg International Gold Corp. for the years ended January 31, 2015 and 2014 were reviewed by and authorized for issue by the Board of Directors on May 28, 2015.

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 recoverable 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.

The Company has incurred operating losses over the last several years, earns no operating revenues and has a working capital deficiency of \$1,285,416 as at January 31, 2015 (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 Financial Statements
(Expressed in Canadian Dollars)
January 31, 2015

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition these financial statements have been prepared using the accrual basis of accounting, except for mineral property interests and cash flow information.

Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended January 31, 2015.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Share based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of the grant, using the Black-Scholes pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of the stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods and services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services received.

3.2 Mineral property interests

The Company records its mining assets, including wholly-owned mining properties, undivided interests in mining properties and deferred exploration costs, at cost less certain recoveries. Exploration costs are capitalized on the basis of specific mining property or areas of geological interest until the mining assets to which they relate are placed into production, sold or are allowed to lapse. General exploration costs not related to specific mining assets are expensed in the statement of comprehensive loss as incurred.

The recoverability of the amounts recorded under mining properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing needed to complete development, and future profitable production or proceeds from disposal of these assets. The amounts shown for mining properties and deferred exploration costs are not necessarily indicative of present or future values.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
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January 31, 2015

3.3 Equipment

Equipment is recorded at cost. Amortization is based on the estimated useful life of the assets and is provided as follows:

Geological & satellite communication equipment	20% declining balance
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3.4 Impairment of assets

Mining properties and exploration costs are tested for impairment when events or changes in circumstances indicate that the carrying amount may be impaired. Common indicators of impairment in the mining industry include: The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned, or have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs must be determined. Identifying the cash generating units requires considerable management judgment. In testing an individual asset or cash generating unit for impairment and identifying a reversal or impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and losses may occur during the next period.

3.5 Income taxes

Income tax on profits or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates, enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the asset and liabilities, using the tax rates enacted or substantially enacted at the date of the statement of financial position.

RANDSBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
(Expressed in Canadian Dollars)
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3.5 Income taxes (continued):

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.6 Basic and diluted loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. The effect of potential issuances of shares under stock options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits with original maturity dates of less than three months. As at January 31, 2015, the company had cash and cash equivalents of \$ 0 (2014 - \$5,829).

3.8 Provisions and Contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Onerous Contracts:

A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
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3.9 Decommissioning, restoration and similar liabilities (“Asset retirement obligation” or “ARO”)

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations including those associated with the reclamation of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the asset. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production or the straight-line method as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

3.10 Equity

Share capital represents the amount received on the issuance of shares, less issue costs.

Reserve for share based payments includes charges related to share-based payments until the exercise of options issued as compensation and it also includes warrants granted until the exercise of these warrants.

Deficit includes all current and prior period losses, except for other comprehensive losses that are included in accumulated other comprehensive income or loss.

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without the flow-through feature at the time of issue is credited to other liabilities and as a reduction of deferred tax expense when the obligation is fulfilled, at the time the eligible expenditures are incurred and there is intention to renounce.

3.11 Financial instruments

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets are classified into the following categories: financial assets ‘at fair value through profit or loss’ (“FVTPL”), ‘held-to-maturity investments’, ‘available-for-sale’ and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

RANDSBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
(Expressed in Canadian Dollars)
January 31, 2015

3.11 Financial instruments

Financial assets: (continued)

i) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of loss.

The Company does not currently hold any derivative instruments or apply hedge accounting.

ii) Available-for-sale financial assets

Financial assets are classified as available-for-sale when so designated by management. Financial assets classified as available-for-sale are measured at fair value, with changes recognized in other comprehensive income.

iii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities are financial liabilities that are not classified as FVTPL and are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, other financial liabilities that are not subject to hedge accounting, are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
(Expressed in Canadian Dollars)
January 31, 2015

3.11 Financial instruments

Financial assets: (continued)

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire. The Company's financial instruments consist of the following:

Financial assets:

	Classification:
Cash and cash equivalents	FVTPL
Receivables	Loans and receivables
Financial liabilities: Classification:	
Accounts payable and other liabilities	Other financial liabilities
Liability related to flow-through shares	Other financial liabilities
Due to related parties	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of January 31, 2015 and January 31, 2014, the only financial assets or liability measured at fair value is the Company's cash and cash equivalents.

Cash and cash equivalents are considered Level 1 for purposes of the fair value hierarchy.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements
(Expressed in Canadian Dollars)
January 31, 2015

3.12 Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments about future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, particularly, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and may not equal estimated results.

The following paragraphs describes the most critical management estimates and assumptions in the recognition of assets, liabilities and expenses and the most critical management judgment's in applying accounting policies:

Impairment of assets

An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value. Management reviews on a regular basis the impairment assessment of its Mineral property interests without a recovery test. (Note- 3.4)

Share-based payments

The estimation of share-based payment costs require the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share price, the probable life of options, the time of exercise of those options and expected extinguishments. The valuation model used by the Company is Black-Scholes.

Income taxes and deferred taxes

The Company is subject to taxes from different tax jurisdictions. It maintains allowances for uncertain tax positions that, in its opinion, appropriately reflect the risks related to the tax positions related to the tax positions subject to discussions, audits, differences of opinion and appeals with the tax authorities or that are otherwise uncertain. These allowances are determined using best estimates of the amounts payable based on a qualitative assessment of all relevant information. These allowances are reassessed at the end of each financial reporting period to determine if the amount is sufficient. However, audits by the tax authorities could subsequently result in an additional liability.

3.13 Future accounting policies

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

a) IFRIC 9 – Financial Instruments

IFRS 9 – Financial Instruments, Classification and Measurement (“IFRS 9”) contains requirements for financial assets and liabilities. IFRS 9 is part of the IASB wider project to replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2015 and is not expected to have a material effect.

RANDBURG INTERNATIONAL GOLD CORP.

Notes to Financial Statements

(Expressed in Canadian Dollars)

January 31, 2015

3.13 Future accounting policies (continued):

b) IFRS 7 - Financial Instruments Disclosures

IFRS 7, - Financial Instruments Disclosures – Offsetting Financial Assets and Liabilities (“IFRS 7”) provides new disclosures requiring entities to disclose gross amounts subject to rights of set off, amounts set off and the related net credit exposure. IFRS 7 will be effective for annual periods beginning on or after January 1, 2015 and is not expected to have a material effect

c) IFRS 9 - Financial Instruments

IFRS 9 replaces IAS 39, *Financial Instruments: Recognition and Measurement*. This standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. This standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Adoption of IFRS 9 is mandatory and will be effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company’s financial statements and related note disclosures.

d) IFRS 15- Revenue from Contracts with Customers

IFRS 15 replaces IAS 11, *Construction Contracts*, and IAS 18, *Revenue*, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company’s financial statements and related note disclosures.

e) IFRS 11 - Joint Arrangements

IFRS 11, Joint Arrangements (“IFRS 11”) The IASB has amended IFRS 11 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments will be effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company is currently assessing the impact of these amendments on the Company’s financial statements and related note disclosures

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4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objective including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash.

The Company is in the exploration stage; as such the Company has relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to any external capital requirements.

5. DEPOSITS ON PROPERTY UNDER OPTION:

	Balance January 31, 2015	Balance January 31, 2014
Acquisition costs	\$ 12,000	\$ 12,000
Write Off	(41,550)	0
Exploration costs	29,550	29,550
Book Value of Mineral Property	\$ Nil	\$ 41,550

During the year the Company abandoned the property and wrote off its interest in the property under option.

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6. MINERAL PROPERTY INTERESTS

	Balance January 31, 2015	Balance January 31, 2014
Flett and Angus Township		
Acquisition costs	\$ 117,000	\$ 117,000
Exploration costs	35,969	35,969
Book Value	\$ 152,969	\$ 152,969
Total Costs	\$ 152,969	\$ 152,969

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.

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.

7. EQUIPMENT

	January 31, 2015	January 31, 2014
Geological and Satellite communication equipment	\$ 5,595	\$ 5,595
Accumulated amortization	(5,132)	(5,027)
	<u>\$ 463</u>	<u>\$ 568</u>

8. 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.

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9. SHARE CAPITAL

Authorized:

Unlimited Common shares, without par value

Issued:

Common shares - 28,273,940 (2014 – 28,273,940)

**January 31,
2015**

**January 31,
2014**

\$ 13,628,895

\$ 13,628,895

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	
	Options	Exercise Price	Warrants	Exercise Price
Balance, January 31, 2013	2,650,000	\$ 0.10	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>Nil</u>
Expired	<u>(1,600,000)</u>	(0.10)	<u>-</u>	<u>-</u>
Balance, January 31, 2015	<u>Nil</u>	0.10	<u>Nil</u>	<u>-</u>

None are Exercisable at January 31, 2015

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10. RELATED PARTY TRANSACTIONS

During the year ended January 31, 2015 the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- a) Accrued management fees totaling \$18,000 (2014 - \$131,250) to two directors of the Company.
- b) Accrued interest of \$ 42,171 (2014 - \$30,904) to a director and a person related to the president of the Company.

The balances due to related parties as at January 31, 2015 and 2014 are summarized below:

	<u>January 31, 2015</u>	<u>January 31, 2014</u>
Advances from a director of \$30,026 (2014 - \$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 \$44,373 (2014- \$36,182)	\$ 74,399	\$ 66,208
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 a General Security Agreement. The total includes accrued interest of \$57,520 (2014 - \$23,540)	319,785	260,982
Advances due to the President and a Company controlled by the President that are non-interest bearing and have no fixed terms of repayment.	408,290	391,104
Advances due to a director that are unsecured, non-interest bearing and have no fixed terms of repayment.	100,881	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>\$ 925,507</u>	<u>\$ 835,327</u>

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the fiscal year ended January 31, 2015.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and Hst receivable. Cash and cash equivalents is held with select major Canadian chartered banks and the amount of receivables are due from Government of Canada, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization for expenditures on projects to assist with the management of capital. The Company's financial liabilities comprise accounts payable and other liabilities, and liability related to flow-through financing, which both are due within 12 months, and amounts due to related parties with no fixed terms of repayment that is due on demand. Certain of these amounts bear interest at an annual rate of 12% (see note 10).

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company currently has short-term debts that bear interest at a fixed annual rate of 12% and as such, the fluctuation of market interest rate has limited impact on these balances.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and the Company only holds cash balances in Canadian dollars, which is not subject to foreign exchange risk.

Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

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11. FINANCIAL RISK MANAGEMENT (CONTINUED):

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of its development properties depends upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of January 31, 2015, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2015	2014
Loss before income taxes	\$ (149,504)	\$ (226,223)
Expected income tax recovery (at statutory rates of 26.50% and 26.50%)	\$ (28,608)	\$ (59,949)
Write off of properties	11,011	-
Other items	28	34
Unrecognized benefit of non-capital losses	<u>17,569</u>	<u>59,915</u>
Net income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

Non-capital loss carry forward	\$ 702,942	\$ 674,391
Capital assets	63,726	63,698
Mining property interests	<u>1,303,539</u>	<u>1,303,539</u>
	2,070,207	2,041,628
Deferred Tax Asset Not Recognized	(2,070,207)	(2,041,628)
Net Deferred Income Tax Assets	\$ -	\$ -

13. SEGMENTED INFORMATION

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