

SearchGold Resources Inc.
(A Mining Exploration Company)

**Interim Consolidated Financial Statements
for the six-month periods ended
June 30, 2012 and 2011**

Financial Statements

Interim Consolidated Statement of financial position	2
Interim Consolidated Statement of Comprehensive Loss	3
Interim Consolidated Statement of changes in Equity	4
Interim Consolidated Statement of cash flow	5
Interim Consolidated Notes to Financial Statements	6 - 11

STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

Management has compiled the unaudited interim financial statements as at June 30, 2012 and for the six-month periods ended June 30, 2012 and 2011. The statements have not been audited or reviewed by the company's auditors or any other firm of chartered accountants.

SearchGold Resources Inc.**Consolidated Statement of Financial Position**

(in canadian dollars)

	Notes	2012-06-30 \$	2011-12-31 \$
ASSETS			
Current			
Cash		131,845	146,693
Guaranteed investment certificate		20,000	
Other receivables		35,485	28,189
Prepaid expenses		2,288	10,405
		<u>189,618</u>	<u>185,287</u>
Non-current			
Exploration and evaluation assets	3	1,498,656	1,403,575
Property and equipment		3,698	4,375
Other long-term financial assets	4	598,129	996,417
Total assets		<u>2,290,101</u>	<u>2,589,654</u>
EQUITY AND LIABILITIES			
LIABILITIES			
Current			
Trade and other payables		246,291	396,828
Total liabilities		<u>246,291</u>	<u>396,828</u>
EQUITY			
Share Capital	5.1	18,396,122	17,896,122
Contributed surplus		3,593,512	3,578,782
Deficit		(18,873,790)	(18,608,332)
Accumulated other comprehensive loss		(1,072,034)	(673,746)
Total equity		<u>2,043,810</u>	<u>2,192,826</u>
Total liabilities and equity		<u>2,290,101</u>	<u>2,589,654</u>

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

These interim consolidated financial statements were approved and authorized for issue by the Board of Directors August 13, 2012.

/S/ Stanley Robinson
Director

/S/ David Carbonaro
Director

SearchGold Resources Inc.

Consolidated Statement of Comprehensive Loss

For the three-month and six-month periods ended June 30, 2012 and 2011
(in canadian dollars)

	Notes	Second quarter		Year-to-date	
		2012	2011	2012	2011
				\$	\$
Management fees	8.1	17,986	50,171	35,998	50,171
Professional services	8.1	66,151	127,551	180,348	176,892
Consultants	6.1	3,107		14,730	
Investors related fees		17,175	4,320	36,055	6,249
Regulatory fees		3,629	10,298	16,276	18,825
Other expenses		28,153	11,439	49,573	16,237
Losses from exchange differences		1,094	2,632	2,135	1,254
Expenses recovered			(27,030)	(42,047)	(54,060)
Operating loss		137,295	179,381	293,068	215,568
Share of loss from equity-accounted investments			3,918		10,914
Gain on dilution from an equity-accounted investments			(92,308)		(91,640)
Loss from disposal of shares in a private company			19,600		260,133
Loss on available-for-sale assets recycled in net earnings (loss)					49,404
Financial costs		(52,917)	5,773	(52,245)	15,121
Net loss		84,378	116,364	240,823	459,500
Other comprehensive loss					
Available-for-sale-financial assets					
Net change in fair value		241,934	45,831	398,288	121,514
Reclassification to net loss					(49,404)
Total of other comprehensive loss		241,934	45,831	398,288	72,110
Total comprehensive loss		326,312	162,195	639,111	531,610
Net loss per share					
Basic and diluted net loss per share		0.003	0.006	0.010	0.025
Weighted average number of common share outstanding basic and diluted		28,591,305	18,591,305	25,239,657	18,580,393

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

SearchGold Resources Inc.

Consolidated Statement of Changes in Equity

For the three-month and six-month periods ended June 30, 2012 and 2011

(in canadian dollars)

Notes	Share Capital		Available-for-sale Financial Assets	Contributed surplus	Deficit	Total Equity
	Number	\$	\$	\$	\$	\$
Balance at January 1, 2011	18,566,271	17,887,122	(340,939)	3,578,782	(17,126,783)	3,998,182
Shares issued for the acquisition of mining rights	25,000	42,000				42,000
Transactions with owners	25,000	42,000	–	–	–	42,000
Net loss					(459,500)	(459,500)
Other comprehensive loss						
Available-for-sale financial assets						
Net change in fair value			(121,514)			(121,514)
Reclassification to net loss			49,404			49,404
Total comprehensive loss	–	–	(72,110)	–	–	(72,110)
Balance at June 30, 2011	18,591,271	17,929,122	(413,049)	3,578,782	(17,586,283)	3,508,572
Balance at January 1, 2012	18,591,271	17,896,122	(673,746)	3,578,782	(18,608,332)	2,192,826
Shares issued under a private placement	10,000,000	500,000				500,000
Equity instruments issue expense					(24,635)	
Stock-based payments				14,730		
Transactions with owners	10,000,000	500,000	–	14,730	(24,635)	490,095
Net loss					(240,823)	(240,823)
Other comprehensive loss						
Available-for-sale financial assets						
Net change in fair value			(398,288)			(398,288)
Reclassification to net loss						
Total comprehensive loss	–	–	(398,288)	–	(240,823)	(639,111)
Balance at June 30, 2012	28,591,271	18,396,122	(1,072,034)	3,593,512	(18,873,790)	2,043,810

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

SearchGold Resources Inc.

Consolidated Statement of Cash Flows

For the three-month and six-month periods ended June 30, 2012 and 2011

(in canadian dollars)

	Notes	Second quarter		Year-to-date	
		2012	2011	2012	2011
		\$	\$		
OPERATING ACTIVITIES					
Net loss		(84,378)	(116,364)	(240,823)	(459,500)
Adjustments					
Share-based payments		3,107		14,730	
Share of loss from equity-accounted investments			3,918		10,914
Gain on dilution from equity-accounted investments			(92,308)		(91,640)
Loss from disposal of shares in a private company			19,600		260,133
Loss on available-for-sale assets recycled in net earnings (loss)					49,404
Changes in working capital items	7	(53,034)	1,451	(149,716)	(13,449)
Cash flows from operating activities		(134,305)	(183,703)	(375,809)	(244,138)
INVESTING ACTIVITIES					
Guaranteed investment certificate		(20,000)		(20,000)	
Proceed from disposal of exploration and evaluation assets					48,936
Revenue from disposal of shares in a private company			780,400		780,400
Additions to exploration and evaluation assets		(92,256)	(82,915)	(94,404)	(132,335)
Other long-term financial assets					51,599
Cash flows from investing activities		(112,256)	697,485	(114,404)	748,600
FINANCING ACTIVITIES					
Due to an associate			154		249
Issuance of equity instruments				500,000	
Equity instruments issue expense				(24,635)	
Cash flows from financing activities		–	154	475,365	249
Net change in cash		(246,561)	513,936	(14,848)	504,711
Cash, beginning of period		378,406	20,652	146,693	29,877
Cash, end of period		131,845	534,588	131,845	534,588

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

SearchGold Resources Inc.

Notes to Consolidated Financial Statements

(in canadian dollars)

1. NATURE OF OPERATIONS

SearchGold Resources Inc. and its subsidiary, (hereinafter the "Company") specializes in the acquisition and exploration of gold mining sites in Africa.

SearchGold Resources Inc. is the ultimate parent company and its shares are listed on the TSX Venture Exchange.

SearchGold Resources Inc. is incorporated under the Canada Business Corporations Act. The address of SearchGold Resources Inc. registered office and its principal place of business is 36 Lombard St., Suite 700, Toronto, Ontario, M5C 2X3.

These interim consolidated financial statements have been established in accordance with the International Financial Reporting Standards (the "IFRS").

2 STATEMENT OF COMPLIANCE

These unaudited interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34 Interim Financial Reporting. The unaudited interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2011, as they follow the same accounting policies and methods of application, unless otherwise indicated.

3. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be analyzed as follows:

	Balance as at January 1, 2012 \$	Additions \$	Option payment \$	Write-off and/or Impairment \$	Disposal \$	Balance as at June 30, 2012 \$
Guinea						
Mandiana						
Mining rights						
Exploration and evaluation	1,362,068	95,081				1,457,149
	<u>1,362,068</u>	<u>95,081</u>	-	-	-	<u>1,457,149</u>
Burkina Faso						
Guéguéré						
Mining rights	20,984					20,984
Exploration and evaluation	20,523					20,523
	<u>41,507</u>	-	-	-	-	<u>41,507</u>
Summary						
Mining rights	20,984					20,984
Exploration and evaluation	1,382,591	95,081				1,477,672
	<u>1,403,575</u>	<u>95,081</u>	-	-	-	<u>1,498,656</u>

SearchGold Resources Inc.

Notes to Consolidated Financial Statements

(in canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

	Balance as at Januray 1, 2011	Additions	Option payment	Write-off and/or Impairment	Disposal	Balance as at December 31, 2011
	\$	\$	\$	\$	\$	\$
Guinea						
Mandiana						
Mining rights						
Exploration and evaluation	1,241,910	120,158				1,362,068
	<u>1,241,910</u>	<u>120,158</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,362,068</u>
Burkina Faso						
Guéguéré						
Mining rights	11,500	58,420	(48,936)			20,984
Exploration and evaluation	20,523					20,523
	<u>32,023</u>	<u>58,420</u>	<u>(48,936)</u>	<u>—</u>	<u>—</u>	<u>41,507</u>
Gabon						
Advances to a private company	1,040,532				(1,040,532)	
	<u>1,040,532</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,040,532)</u>	<u>—</u>
Summary						
Mining rights	11,500	58,420	(48,936)			20,984
Exploration and evaluation	2,302,965	120,158			(1,040,532)	1,382,591
	<u>2,314,465</u>	<u>178,578</u>	<u>(48,936)</u>	<u>—</u>	<u>(1,040,532)</u>	<u>1,403,575</u>

All write-off are included within Write-off of exploration and evaluation assets in net earnings (loss) and all impairment charges (or reversals, if any) are included within Depreciation of exploration and evaluation assets in net earnings (loss).

SearchGold Resources Inc.

Notes to Consolidated Financial Statements

(in canadian dollars)

4. OTHER LONG-TERM FINANCIAL ASSETS

	<u>2012-06-30</u>	<u>2011-12-31</u>
	\$	\$
Common shares in a private company, at cost		
Swala Resources Inc.		
Shares representing a - % interest (7% in 2011) (c)		755,885
Common shares in quoted companies, at fair value		
Stellar Diamonds Limited		
Shares representing a 0.6 % interest (0.8% in 2011) (a)	85,015	80,408
Golden Share Mining Corporation		
Shares representing a 1.96% interest (2% in 2011) (b)	96,074	160,124
Concordia Resource Corp.		
Shares representing a 2% interest (c)	<u>417,040</u>	
	<u>598,129</u>	<u>996,417</u>

- (a) Stellar Diamonds Limited ("Stellar") is a diamond mining exploration company.

During the six-month period ended June 30, 2012, the Company recognized a change in fair value of investments of \$4,607 in other comprehensive loss.

During the year ended December 31, 2011, the Company recognized a change in fair value of investments of \$200,737 in other comprehensive loss of which an amount of \$49,404 was reallocate to net earnings (loss) in relation with the 300,000 shares disposed.

- (b) Golden Share Mining Corporation ("Golden Share") is a gold mining exploration company.

During the six-month period ended June 30, 2012, the Company recognized a negative change in fair value of investments of \$64,050 in other comprehensive loss.

During the year ended December 31, 2011, the Company recognized a change in fair value of investments of \$181,474 in other comprehensive loss.

- (c) Concordia Resource Corp. ("Concordia") is a gold and silver mining exploration company.

On January 16, 2012, Concordia Resource Corp. acquired all Swala Resources Inc. common shares. Under that transaction, the Company received 1,737,666 common shares of Concordia Resource Corp.

During the six-month period ended June 30, 2012, the Company recognized a negative change in fair value of investments of \$338,845 in other comprehensive loss.

SearchGold Resources Inc.

Notes to Consolidated Financial Statements

(in canadian dollars)

5. **SHARE CAPITAL**

5.1 **Share capital**

The share capital of the company consists only of fully paid ordinary shares.

Authorized share capital

Unlimited number of common shares voting and participating

6. **EMPLOYEE REMUNERATION**

6.1 **Share-based payments**

The Company has adopted a stock-based compensation plan under which members of the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plan is 1,375,000.

The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the common shares on the eve of the award and the term of the options cannot be more than five years. The options are exercisable immediately.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The Company's stock options are as follows for the reporting periods presented:

	2012-06-30		2011-12-31	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance, beginning of period	187,500	1.14	506,250	1.20
Granted	250,000	0.10		
Forfeited			(218,750)	1.18
Cancelled			(100,000)	1.29
Balance, end of period	<u>437,500</u>	<u>0.54</u>	<u>187,500</u>	<u>1.14</u>
Number of options exercisable	<u>312,500</u>	<u>0.72</u>	<u>187,500</u>	<u>1.14</u>

SearchGold Resources Inc.
Notes to Consolidated Financial Statements

(in canadian dollars)

6. EMPLOYEE REMUNERATION (Continued)

During the six-month period ended June 30, 2012, the Company granted 250,000 stock options to a consultant. The weighted average fair value of \$0.07 was determined using the Black-Scholes option pricing model and based on the following weighted average assumptions:

	<u>2012-06-30</u>
Weighted average price at the grant date	0,07
Rate of return of dividends	- %
Expected average volatility	178%
Risk-free average interest rate	1.46%
Expected average life (years)	5 years
Weighted average exercise price	0.10

An amount of \$3,107 and \$14,730 in consultants expenses were included in net earnings (loss) for the three-month and six-month periods ended June 30, 2012 respectively.

The table below summarizes the information related to stock options:

<u>2012-06-30</u>			<u>2011-12-31</u>		
Number of options outstanding	Exercise price \$	Remaining contractual average life (years)	Number of options outstanding	Exercise price \$	Remaining contractual average life (years)
250,000	0.10	4.38	50,000	0.96	1.48
50,000	0.96	0.98	137,500	1.20	0.68
<u>137,500</u>	<u>1.20</u>	<u>0.18</u>	<u>187,500</u>	<u>1.14</u>	<u>0.89</u>
<u>437,500</u>	<u>0.54</u>	<u>2.67</u>	<u>187,500</u>	<u>1.14</u>	<u>0.89</u>

7. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	<u>Second quarter</u>		<u>Year-to-date</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	\$	\$	\$	\$
Other receivables	12,509	(8,528)	(7,296)	(21,517)
Prepaid expenses	2,810	1,171	8,117	3,616
Trade and other payables	(68,353)	8,808	(150,537)	4,452
	<u>(53,034)</u>	<u>1,451</u>	<u>(149,716)</u>	<u>(13,449)</u>

SearchGold Resources Inc.
Notes to Consolidated Financial Statements
(in canadian dollars)

7. ADDITIONAL INFORMATIONS – CASH FLOWS (Continued)

Additional disclosures regarding cash flows that did not result in a cash outflow:

	Second quarter		Year-to-date	
	2012	2011	2012	2011
Exploration and evaluation assets	\$	\$	\$	\$
Shares issued for the acquisition of mining rights				42,000
Accounts payable and accrued liabilities		10,152		13,371
Exploration equipment amortization	(350)	(230)	(677)	(460)

8. RELATED PARTY TRANSACTIONS

The Company's related parties include its joint key management and other related parties, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

8.1. Transactions with key management personnel

Remuneration of the key management personnel, that is, the President, the Vice-President Finance and the directors, includes the following expenses

	Second quarter		Year-to-date	
	2012	2011	2012	2011
Management fees	\$	\$	\$	\$
	17,986		35,998	50,171
Professional services	40,931	28,553	82,634	36,041
	58,917	28,553	118,632	86,212

During the reporting periods, key management personnel did not exercise any stock options.

9. SUBSEQUENT EVENT

On August 7, 2012, the Company announce that the TSX Venture Exchange (the "TSXV") has approved the Company's amendments to its stock option plan (the "Plan"), which replaced the Company's former "fixed" option plan with a "rolling" stock option plan. Under the Plan, 10% of the issued shares of SearchGold will be reserved at the time of a stock option grant.