Rheingold Exploration Corp.
(An Exploration Stage Company)

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
31 July 2012

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Rheingold Exploration Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

Rheingold Exploration Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at 31 July 2012 $	As at 31 January 2012 $ (Audited)
Assets		
Current		
Cash and cash equivalents	36,380	190,340
Amounts receivable (Note 4)	32,016	2,102
	68,396	192,442
Exploration and evaluation properties (Note 5)	181,760	158,449
	250,156	350,891
Liabilities		
Current		
Trade payables and accrued liabilities (Note 6)	14,919	5,705
Equity		
Share capital (Note 7)	410,150	406,150
Stock option reserve	73,524	20,913
Deficit	(248,437)	(81,877)
	235,237	345,186
	250,156	350,891

Nature and Continuance of Operations (Note 1) and **Subsequent Event** (Note 11)

Approved and Authorized by the Board on 28 September 2012:

"Paul Pedersen" Director *"Richard Robins"* Director

Rheingold Exploration Corp.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For three months ended 31 July 2012 $	For three months ended 31 July 2011 $	For six months ended 31 July 2012 $	For six months ended 31 July 2011 $
Expenses				
Office and miscellaneous	5,805	2,450	9,324	2,505
Professional fees	39,862	3,100	91,252	12,321
Share-based payments (Note 7)	7,627	-	52,611	-
Travel	-	587	9,731	587
Net loss before other item	(53,294)	(6,137)	(162,918)	(15,413)
Other item				
Loss of disposition of exploration and evaluation properties (Note 5)	-	-	(3,642)	-
Net loss and comprehensive loss for the year	(53,294)	(6,137)	(166,560)	(15,413)
Loss and comprehensive loss per share, basic and diluted	(0.01)	(0.01)	(0.02)	(0.01)
Weighted average number of common shares outstanding	7,869,886	2,531,768	7,858,073	2,093,325

Rheingold Exploration Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For six months ended 31 July 2012 $	For six months ended 31 July 2011 $
Cash flows used in operating activities		
Net loss for the period	(166,560)	(15,413)
Share-based payments	52,611	-
Loss of disposition of exploration and evaluation properties	3,642	-
Changes in operating assets and liabilities		
Increase in amounts receivable	(29,914)	(5,812)
Increase in prepaid expenses	-	(39,850)
Increase in trade payables and accrued liabilities	9,214	3,732
	(131,007)	(57,343)
Cash flows used in investing activities		
Exploration and evaluation properties expenses	(22,953)	(54,269)
Cash flows from financing activities		
Shares issued for cash	-	142,000
Increase (decrease) in cash and cash equivalents	(153,960)	30,388
Cash and cash equivalents, beginning of period	190,340	1,501
Cash and cash equivalents, end of period	36,380	31,889

Supplemental Disclosures with Respect to Cash Flows (Note 9)

Rheingold Exploration Corp.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares	Share Capital $	Stock Option Reserve $	Deficit $	Total Equity $
Balance at 31 January 2011	1,650,010	1,650	-	(149)	1,501
Common shares issued for cash ($0.05 per share)	2,840,000	142,000	-	-	142,000
Common shares issued for exploration and evaluation properties ($0.05 per share)	150,000	7,500	-	-	7,500
Net loss for the period	-	-	-	(15,413)	(15,413)
Balance at 31 July 2011	4,640,010	151,150	-	(15,562)	135,588
Common shares issued for cash ($0.08 per share)	3,156,250	252,500	-	-	252,500
Common shares issued for exploration and evaluation properties ($0.05 per share)	50,000	2,500	-	-	2,500
Share-based payments	-	-	20,913	-	20,913
Net loss for the period	-	-	-	(66,315)	(66,315)
Balance at 31 January 2012	7,846,260	406,150	20,913	(81,877)	345,186
Common shares issued for exploration and evaluation properties ($0.08 per share)	50,000	4,000	-	-	4,000
Share-based payments	-	-	52,611	-	52,611
Net loss for the period	-	-	-	(166,560)	(166,560)
Balance at 31 July 2012	7,896,260	410,150	73,524	(248,437)	235,237

1. Nature and Continuance of Operations

Rheingold Exploration Corp. (the "Company") was incorporated under the laws of the province of British Columbia on 29 July 2010.

The Company is a mining exploration company that is exploring for gold and other precious metals in the Rainy River district of northwestern Ontario. The Company's current objective is to maximize shareholder value by exploring and developing its Pattullo mineral project in a cost effective and technically sound manner.

The Company's registered and records office is 600 – 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

The Company's condensed financial statements for the three and six months ended 31 July 2012 and 2011 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The continuing operations of the Company are dependent upon the Company being able to satisfy its liabilities as they become due and to obtain the necessary financing to acquire, explore and develop its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition thereof. The Company had a net loss of $166,560 for the six months ended 31 July 2012 (2011 - $15,413) and had working capital of $53,477 as at 31 July 2012 (31 January 2012 - $186,737).

The Company had cash and cash equivalents of $36,380 at 31 July 2012 (31 January 2012 - $190,340) but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. However, management believes that the Company's capital resources should be adequate to continue operating and maintain its business strategy during fiscal 2013. However, if the Company is unable to raise additional capital in the near future, due to the Company's liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These condensed financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended 31 January 2012.

Basis of Presentation

The Company's condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 3 and are presented in Canadian dollars except where otherwise indicated.

Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, "*Interim Financial Reporting*" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments

New accounting standards and interpretations not yet adopted

At the date of authorization of these condensed interim financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective.

IFRS 9 '*Financial Instruments: Classification and Measurement'* is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

IFRS 10 '*Consolidated Financial Statements*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and SIC-12.

IFRS 11 '*Joint Arrangements*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces IAS 31 and SIC-13.

IFRS 12 '*Disclosure of Interests in Other Entities*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

(Expressed in Canadian Dollars)

IFRS 13 '*Fair Value Measurement'* is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces fair value measurement guidance in other IFRSs.

IAS 1 (Amendment) '*Presentation of Financial Statements*' is effective for annual periods beginning on or after 1 July 2012 and includes amendments regarding Presentation of Items of Other Comprehensive Income.

IAS 19 (Amendment) '*Employee Benefits*' is effective for annual periods beginning on or after 1 January 2013 and revises recognition and measurement of post-employment benefits.

IAS 27 (Amendment) '*Separate Financial Statements*' is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 (Amendment) '*Investments in Associates and Joint Ventures*' is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. Financial Instruments and Risk Management

Fair values

As at 31 July 2012, the Company's carrying values of cash and cash equivalents, amounts receivable and trade payables approximate their fair values due to their short term maturity.

	Fair value hierarchy	FVTPL, at fair value	Loans and receivable, at amortized cost	Other liabilities, at amortized cost
As at 31 July 2012				
Cash and cash equivalents	Level 1	36,380	-	-
Amounts receivable	N/A	-	18,000	-
Trade payables	N/A	-	-	14,919
As at 31 January 2012				
Cash and cash equivalents	Level 1	190,340	-	-
Trade payables	N/A	-	-	205

Disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair values is as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with high-related financial institutions as determined by rating agencies. As at 31 July 2012, amounts receivable of $32,016 is comprised of Goods and Services Tax/Harmonized Sales Tax ("GST/HST") receivable of $14,016 (31 January 2012 - $2,102) and proceeds of $18,000 (31 January 2012 - $Nil) from the disposition of the Millen Mountain Property. As a result, credit risk is considered insignificant.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 July 2012, the Company had working capital of $53,477 (31 January 2012 - $186,737). Liquidity risk is considered insignificant.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

4. Amounts Receivable

Amounts receivable as at 31 July 2012 consist of GST/HST receivable of $14,016 (31 January 2012 - $2,102) and proceeds of $18,000 (31 January 2012 - $Nil) from the disposition of the Millen Mountain Property (Notes 5 and 8). These amounts are non-interest bearing, unsecured and have settlement dates within one year.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Properties

	Pattullo Property $	Millen Mountain Property $	Total $
Exploration expenditures			
Beginning, as at 31 January 2012	121,534	10,573	132,107
Consulting fees (Note 8)	21,226	4,550	25,776
Ending, as at 31 July 2012	142,760	15,123	157,883
Acquisition costs			
Beginning, as at 31 January 2012	20,000	6,342	26,342
Additions	19,000	177	19,177
Ending, as at 31 July 2012	39,000	6,519	45,519
	181,760	21,642	203,402
Disposition	-	(21,642)	(21,642)
Total	181,760	-	181,760

Pattullo Property

On 17 June 2011, the Company entered into an option agreement to acquire a one hundred percent (100%) undivided interest in 4 unpatented mining claims located in the Pattullo and Tait townships of the Province of Ontario, Canada (the “Pattullo Property”). The Company acquired its option in the Pattullo Property through an Option Agreement with Perry Vern English, acting on behalf of Rubicon Minerals Corporation, (“Rubicon”), dated 13 June 2011, effective 17 June 2011 (the “Pattullo Agreement”). In connection with the Pattullo Agreement, the Company issued 50,000 common shares valued at $2,500 ($0.05 per common share) to an unrelated third party as a finder’s fee (Notes 7 and 9). Pursuant to the Pattullo Agreement, the Company agreed to, (a) over a four year period, make cash payments to Perry Vern English for his subsequent delivery to Rubicon in the aggregate amount of $105,000; and (b) over a two year period, issue Rubicon 150,000 common shares of the Company, as follows:

a) Pay $15,000 in cash upon signing the agreement (paid);
b) Issue 50,000 common shares of the Company by 23 June 2011 (issued) (Notes 7 and 9);
c) Pay $15,000 in cash on 17 June 2012 (paid);
d) Pay $20,000 in cash on 17 June 2013;
e) Issue 50,000 common shares of the Company on 23 June 2012 (issued) (Notes 7 and 9);
f) Issue 50,000 common shares of the Company on 23 June 2013;
g) Pay $25,000 in cash on 17 June 2014; and
h) Pay $30,000 in cash on 17 June 2015.

The Company has granted a 2% net smelter royalty to Rubicon, 1% of which can be purchased back by the Company for $1,000,000.

Millen Mountain Property

The Company had a 100% interest in exploration rights to approximately 3,222 hectares of land located approximately 20 km east of Stewiacke, Nova Scotia (the "Millen Mountain Property"). The Company staked these claims through the Nova Scotia Department of Natural Resources during June of 2011 at a cost of $1,342. In connection with the staking of the Millen Mountain Property, the Company issued 100,000 common shares valued at $5,000 ($0.05 per common share) to a director of the Company as a finder's fee (Notes 7, 8 and 9).

On 6 April 2012, the Company entered into an agreement with Millen Mountain Exploration Inc., a company related by way of a director and/or shareholder in common, to transfer all mineral rights and exploration licenses related to Millen Mountain Property in exchange for the principal sum of $18,000, resulting in a loss of $3,642 (2011 - $Nil) for the six months ended 31 July 2012 (Notes 4 and 8).

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

7. Share Capital

Authorized

The total authorized capital is unlimited common shares with no par value.

Issued and Outstanding

As of 31 July 2012, the total issued and outstanding share capital consists of 7,846,260 (31 January 2012 - 7,846,260) common shares with no par value.

On 18 June 2012, the Company issued 50,000 common shares of the Company at $0.08 per common share for a total value of $4,000 related to Pattullo Property (Notes 5 and 9).

On 11 November 2011, the Company issued 50,000 common shares of the Company at $0.05 per common share for a total value of $2,500 related to the Pattullo Property (Notes 5 and 9).

On 31 October 2011, the Company issued 3,156,250 common shares at a price of $0.08 per common share, for total cash proceeds of $252,500.

On 5 July 2011, the Company issued 2,840,000 common shares at a price of $0.05 per common share for total cash proceeds of $142,000.

On 27 June 2011, the Company issued 50,000 common shares of the Company at $0.05 per common share for a total value of $2,500 as finder's fee related to the Pattullo Property (Notes 5 and 9).

(Expressed in Canadian Dollars)

On 14 June 2011, the Company issued 100,000 common shares of the Company at $0.05 per common share for a total value of $5,000 to a director of the Company as finder's fee related to the Millen Mountain Property (Notes 5, 8 and 9).

On 11 January 2011, the Company issued 1,650,000 common shares of the Company at a price of $0.001 per common share for total cash proceeds of $1,650.

On 29 July 2010, the Company issued 10 common shares of the Company at a price of $0.001 to the Chief Executive Officer of the Company related to the incorporation of the Company.

Stock options

The Company has adopted a stock option plan (the "Plan") which provides eligible directors, officers, employees and consultants of the Company with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company's common shares on the exchange. The options have a maximum term of ten years from date of issue, and a maximum term of five years from the date of issue for so long as the Company is a Tier 2 issuer on the TSX Venture Exchange.

The following is a summary of the changes in the Company's stock option plan for the six months ended 31 July 2012 and year ended 31 January 2012:

	Six months ended 31 July 2012		Year ended 31 January 2012	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding, beginning of period	781,200	0.15	-	-
Granted	-	-	781,200	0.15
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding, end of period	781,200	0.15	781,200	0.15
Exercisable, end of period	781,200	0.15	-	-

(Expressed in Canadian Dollars)

The weighted average fair value of the options granted during the six months ended 31 July 2012 was estimated at $Nil (31 January 2012 - $0.094) per option at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	For the six months ended 31 July 2012	For the year ended 31 January 2012
Risk free interest rate	-	1.30%
Expected life	-	5.00 years
Expected volatility	-	175%
Expected dividend per share	-	0.00%

Share-based Payments

Share-based payments for the following options granted by the Company are amortized over the vesting period, of which $7,627 and $52,611 were recognized during the three and six months ended 31 July 2012, respectively (2011 - $Nil and $Nil):

Grant date	Fair value $	For the three months ended 31 July 2012 $	For the three months ended 31 July 2011 $	For the six months ended 31 July 2012 $	For the six months ended 31 July 2011 $
18 January 2012	73,524	7,627	-	52,611	-

8. Related Party Transactions

On 6 April 2012, the Company entered into an agreement with Millen Mountain Exploration Inc., a company related by way of a director and/or shareholder in common, to transfer all mineral rights and exploration licenses related to Miller Mountain Property in exchange for the principal sum of $18,000 (Notes 4 and 5).

During the six months ended 31 July 2012, the Company paid $4,550 (31 January 2012 - $10,573) to TBL Resource Solutions Inc., a company controlled by a director of the Company, for exploration costs related to the Millen Mountain Property and Patullo Property (Note 5). As at 31 July 2012, there is no amount payable to TBL Resource Solutions Inc. (31 January 2012 - $Nil).

During the six moths ended 31 July 2012, the Company paid $17,506 (31 January 2012 - $Nil) to a director of the Company for exploration costs related to the Patullo Property (Note 5). As at 31 July 2012, there is no amount payable to this director (31 January 2012 - $Nil).

(Expressed in Canadian Dollars)

Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	For the three months ended 31 July 2012 $	For the three months ended 31 July 2011 $	For the six months ended 31 July 2012 $	For the six months ended 31 July 2011 $
Share-based payments	7,627	-	52,611	-

During the year ended 31 January 2012, the Company issued 100,000 common shares of the Company at $0.05 per common share for a total value of $5,000 to a director of the Company as finder's fee related to the Millen Mountain Property (Notes 5, 7 and 9).

9. Supplemental Disclosures with Respect to Cash Flows

	For the six months ended 31 July 2012 $	For the six months ended 31 July 2011 $
Cash paid during the period for interest	-	-
Cash paid during the period for income taxes	-	-

On 18 June 2012, the Company issued 50,000 common shares of the Company at $0.08 per common shares for a total value of $4,000 related to the Pattullo Property (Notes 5 and 7).

On 11 November 2011, the Company issued 50,000 common shares of the Company at $0.05 per common share for a total value of $2,500 related to the Pattullo Property (Notes 5 and 7).

On 27 June 2011, the Company issued 50,000 common shares of the Company at $0.05 per common share for a total value of $2,500 as finder's fee related to the Pattullo Property (Notes 5 and 7).

On 14 June 2011, the Company issued 100,000 common shares of the Company at a price of $0.05 per common share for a total value of $5,000 to a director of the Company as finder's fees related to the Millen Mountain Property (Notes 5, 7 and 8).

10. Capital Management

Capital under management is considered to be the Company's shareholders' equity and any debt that it may issue. As at 31 July 2012, the Company's shareholders' equity was $235,237 and it had no long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for expansion was mostly from proceeds from the issuance of common shares. This strategy is unchanged from fiscal 2012.

The Company is not subject to externally imposed capital requirements.

11. Subsequent Event

No reportable event occurred from the six months ended 31 July 2012 to the date the financial statements were authorized for issue by the Board of Directors on 28 September 2012.