

Rheingold Exploration Corp.
(An Exploration Stage Company)

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

31 July 2014

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection, 4.3 (3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

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 estimate and judgements based on information currently available.

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

Rheingold Exploration Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

| | As at 31 July 2014 \$ | As at 31 January 2014 (Audited) \$ |
|---|--------------------------------|--|
| Assets | | |
| Current | | |
| Cash and cash equivalents | 100,744 | 187,647 |
| Amounts receivable (Note 4) | 28,831 | 25,862 |
| Prepaid expenses and advances (Notes 5 and 9) | 3,025 | 3,139 |
| | <u>132,600</u> | <u>216,648</u> |
| Exploration and evaluation properties (Note 6) | <u>212,014</u> | <u>187,014</u> |
| | <u>344,614</u> | <u>403,662</u> |
| Liabilities | | |
| Current | | |
| Trade payables and accrued liabilities (Note 7) | <u>35,044</u> | <u>23,990</u> |
| Equity | | |
| Share capital (Note 8) | 772,103 | 772,103 |
| Reserves (Note 8) | 90,290 | 90,290 |
| Contributed surplus (Note 8) | 3,160 | 3,160 |
| Deficit | <u>(555,983)</u> | <u>(485,881)</u> |
| | <u>309,570</u> | <u>379,672</u> |
| | <u>344,614</u> | <u>403,662</u> |

Nature and Continuance of Operations (Note 1), **Commitment and Contingency** (Note 12) and **Subsequent Events** (Note 13)

Approved and Authorized by the Board on 29 September 2014:

“Paul Pedersen” Director

“Richard Robins” Director

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

Rheingold Exploration Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

| | For the three month period ended 31 July 2014 \$ | For the three month period ended 31 July 2013 \$ | For the six month period ended 31 July 2014 \$ | For the six month period ended 31 July 2013 \$ |
|---|---|---|---|---|
| Expenses | | | | |
| Bank charges and interest | 20 | 58 | 38 | 78 |
| Filing fees | 2,032 | - | 7,603 | 11,667 |
| Investor relations | - | - | - | 400 |
| Management fees (Note 9) | 15,000 | 15,000 | 30,000 | 30,000 |
| Office and miscellaneous | 1,257 | 1,510 | 1,636 | 3,588 |
| Professional fees | 17,340 | 43,118 | 25,973 | 43,118 |
| Rent expense | 2,250 | - | 4,500 | - |
| Share-based payments (Note 8) | - | - | - | - |
| Travel and entertainment | 351 | - | 351 | 3,422 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net loss before other item | (38,250) | (59,686) | (70,101) | (92,273) |
| Other item | | | | |
| Write-down of exploration and evaluation property (Note 6) | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net loss and comprehensive loss for the period | (38,250) | (59,686) | (70,101) | (92,273) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Loss and comprehensive loss per share, basic and diluted | (0.00) | (0.01) | (0.01) | (0.01) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Weighted average number of common shares outstanding | 11,286,260 | 11,257,130 | 11,286,260 | 11,254,457 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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

Rheingold Exploration Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

| | For the three month period ended 31 July 2014 \$ | For the three month period ended 31 July 2013 \$ | For the six month period ended 31 July 2014 \$ | For the six month period ended 31 July 2013 \$ |
|---|---|---|---|---|
| Cash flows used in operating activities | | | | |
| Net loss for the period | (38,250) | (59,686) | (70,101) | (92,273) |
| Share-based payments | - | - | - | - |
| Write-down of exploration and evaluation property | - | - | - | - |
| Changes in operating assets and liabilities | | | | |
| Decrease (increase) in amounts receivable | (1,056) | (2,163) | (2,969) | (3,451) |
| Decrease (increase) in prepaid expenses | - | 833 | 113 | 1,634 |
| Increase (decrease) in trade payables and accrued liabilities | (1,317) | 25,163 | 11,054 | 24,863 |
| | <u>(40,623)</u> | <u>(35,853)</u> | <u>(61,903)</u> | <u>(69,227)</u> |
| Cash flows used in investing activities | | | | |
| Exploration and evaluation properties | <u>(25,000)</u> | <u>(20,000)</u> | <u>(25,000)</u> | <u>(20,000)</u> |
| Cash flows from financing activities | | | | |
| Shares issued for cash | - | - | - | - |
| Capital contribution by shareholders | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>(65,623)</u> | <u>(55,853)</u> | <u>-</u> | <u>(89,227)</u> |
| Increase (decrease) in cash and cash equivalents | (65,623) | (55,853) | (86,903) | (89,227) |
| Cash and cash equivalents, beginning of period | <u>166,367</u> | <u>317,808</u> | <u>187,647</u> | <u>351,182</u> |
| Cash and cash equivalents, end of period | <u>100,744</u> | <u>261,955</u> | <u>100,744</u> | <u>261,955</u> |

Supplemental Disclosures with Respect to Cash Flows (Note 10)

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

Rheingold Exploration Corp.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

| | Common Shares | Share Capital \$ | Stock Option Reserve \$ | Warrant Reserve \$ | Contributed Surplus \$ | Deficit \$ | Total Equity \$ |
|---|-------------------|---------------------|-------------------------------|--------------------------|------------------------------|------------------|-----------------------|
| Balance at 31 January 2013 | 11,246,260 | 766,103 | 73,524 | 16,766 | 3,160 | (325,885) | 533,668 |
| Common shares issued for exploration and evaluation of properties (\$0.12 per share) (Note 6, 8 and 10) | 50,000 | 6,000 | - | - | - | - | 6,000 |
| Net loss for the period | - | - | - | - | - | (92,273) | (92,273) |
| Balance at 31 July 2013 | 11,296,260 | 772,103 | 73,524 | 16,766 | 3,160 | (418,158) | 447,395 |
| Net loss for the period | - | - | - | - | - | (67,723) | (67,723) |
| Balance at 31 January 2014 | 11,296,260 | 772,103 | 73,524 | 16,766 | 3,160 | (485,881) | 379,672 |
| Net loss for the period | - | - | - | - | - | (70,102) | (70,101) |
| Balance at 31 July 2014 | 11,296,260 | 772,103 | 73,524 | 16,766 | 3,160 | (555,983) | 309,570 |

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

Rheingold Exploration Corp.

Notes to Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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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 1090 West Georgia Street, Suite 600, Vancouver, BC V6E 3V7.

The Company’s condensed interim financial statements for the three and six month periods ended 31 July 2014 and 2013 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 \$70,101 for the six month period ended 31 July 2014 (2013 - \$192,658) and had working capital of \$97,556 as at 31 July 2014 (31 January 2014 - \$192,658).

The Company had cash and cash equivalents of \$100,744 at 31 July 2014 (31 January 2014 - \$187,647) 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 2014. 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 interim 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

Basis of Presentation

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of companies consistent with those applied in the Company’s annual financial statements for the year ended 31 January 2014.

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”).

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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 recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, 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 7 (Amendment) '*Financial Instruments: Disclosures*' is effective for annual periods beginning on or after 1 January 2015 and requires modification of associated disclosures upon application of IFRS 9 '*Financial Instruments: Classification and Measurement*'.

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.

IAS 32 (Amendment) '*Financial instruments: presentation*' is effective for annual periods beginning on or after 1 January 2014 and includes amendments regarding presentation related to offsetting financial assets and financial liabilities.

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.

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3. Financial Instruments and Risk Management

Fair values

As at 31 July 2014, the Company's carrying values of cash and cash equivalents and trade payables approximate their fair values due to their short term maturity.

| | Fair value hierarchy | FVTPL, at fair value | Other liabilities, at amortized cost |
|------------------------------|----------------------|----------------------|--------------------------------------|
| As at 31 July 2014 | | | |
| Cash and cash equivalents | Level 1 | 100,744 | - |
| Trade payables | N/A | - | 35,044 |
| As at 31 January 2014 | | | |
| Cash and cash equivalents | Level 1 | 187,647 | - |
| Trade payables | N/A | - | 23,990 |

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-rated financial institutions as determined by rating agencies. As at 30 April 2014, amounts receivable of \$28,831 comprised of Goods and Services Tax/Harmonized Sales Tax ("GST/HST") receivable of \$27,831 (31 January 2014 - \$25,862). 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 2014, the Company had working capital of \$100,744 (31 January 2014 - \$192,658). Liquidity risk is considered insignificant.

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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

The Company's amounts receivable arise from GST/HST receivable due from the government taxation authorities. This amount is non-interest bearing, unsecured and have settlement dates within one year.

5. Prepaid Expenses and Advances

The Company's prepaid expenses and advances are as follows:

| | As at 31 July 2014 | As at 31 January 2014 (Audited) |
|--------------------------------------|-----------------------|---------------------------------------|
| | \$ | \$ |
| Prepaid insurance | - | - |
| Prepaid administration expenses | - | - |
| Advances to related parties (Note 9) | 3,025 | 3,139 |
| | <u>3,025</u> | <u>3,139</u> |

6. Exploration and Evaluation Properties

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 8 and 10). 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 and valued at \$2,500) (Notes 8 and 10);
- c) Pay \$15,000 in cash on 17 June 2012 (paid);
- d) Issue 50,000 common shares of the Company on 23 June 2012 (issued and valued at \$4,000) (Notes 8 and 10);
- e) Pay \$20,000 in cash on 17 June 2013 (paid);

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- f) Issue 50,000 common shares of the Company on 23 June 2013 (issued and valued at \$6,000) (Notes 8 and 10);
- 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.

Expenditures related to Pattullo Property can be summarized as follows:

| | For the six month period ended 31 July 2014 \$ | For the six month period ended 31 July 2013 \$ | Cumulative amounts from the date of incorporation on 29 July 2010 to 31 July 2014 \$ |
|--|--|--|--|
| Exploration and evaluation expenditures | | | |
| Consulting fees (Note 9) | 480 | - | 15,662 |
| Geological | - | - | 27,252 |
| Geophysical | - | - | 79,100 |
| | - | - | 122,014 |
| Acquisition costs | 25,000 | 26,000 | 90,000 |
| | 25,480 | 26,000 | 212,014 |

Millen Mountain Property

The Company currently holds 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 8, 9 and 10).

During the year ended 31 January 2013, the Company entered into an agreement with Millen Mountain Exploration Inc., a company related by way of a director and shareholder in common where by the Company is to transfer all mineral rights and exploration licenses related to Millen Mountain Property in exchange for the proceeds of \$18,000, which is to be paid on or before 5 July 2012 (unpaid) (Notes 9 and 12).

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Expenditures related to Millen Mountain Property can be summarized as follows:

| | For the six month period ended 31 July 2014 \$ | For the six month period ended 31 July 2013 \$ | Cumulative amounts from the date of incorporation on 29 July 2010 to 31 July 2014 \$ |
|---------------------------------|---|---|--|
| Exploration expenditures | | | |
| Consulting fees (Note 9) | - | - | 15,123 |
| Acquisition costs | - | - | 8,169 |
| | - | - | 23,292 |

During the six month period ended 31 July 2014, the Company recorded a write-down in the amount of \$Nil (2013 - \$23,292) in relation to the Millen Mountain Property.

During the six month period end 31 July 2014, total costs included in exploration and evaluation properties related to Millen Mountain Property is \$Nil (2013 - \$Nil).

7. Trade Payables and Accrued Liabilities

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

8. Share Capital

Authorized

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

Issued and Outstanding

As of 31 July 2014, the total issued and outstanding share capital consists of 11,296,260 (31 January 2014 - 11,296,260) common shares with no par value.

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Notes to Condensed Interim Financial Statements

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As of 31 July 2014, 2,176,519 (31 January 2014 – 2,902,026) shares were held in escrow. The shares held in escrow are to be released according to the following schedule:

| Date | Number of shares released |
|-----------------|--------------------------------------|
| 31 October 2014 | 725,506 |
| 30 April 2015 | 725,507 |
| 31 October 2015 | 725,506 |
| Total | 2,176,519 |

On 31 October 2012, the Company completed an initial public offering (the “Offering”) to issue 3,350,000 common shares at \$0.15 per share for gross proceeds of \$502,500. Under the terms of an agency agreement, the Company paid the agent a commission of 8% of the aggregate gross proceeds pursuant to the Offering, a corporate finance fee of \$30,000 in cash and paid additional share issuance costs of \$59,581 in relation to the offering. The Company also issued share purchase warrants equal to 8% of the number of shares sold pursuant to the Offering, exercisable at a price of \$0.15 per warrant for a period of 24 months from the date of issuance.

On 12 July 2013, the Company issued 50,000 common shares of the Company at \$0.12 per common share for a total value of \$6,000 related to the Pattullo Property (Notes 6 and 10).

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 the Pattullo Property (Notes 6 and 10).

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 6 and 10).

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 6 and 10).

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 6, 9 and 10).

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.

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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.

Contributed surplus

During the year ended 31 January 2013, an officer and director of the Company made a general contribution to capital to the Company in the amount of \$3,160. This has been recorded as an increase in contributed surplus (Note 9).

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 month period ended 31 July 2014 and year ended 31 January 2014:

| | Period ended 31 July 2014 | | Year ended 31 January 2014 (Audited) | |
|---|------------------------------|--|---|--|
| | Number of options | Weighted average exercise price \$ | Number of options | Weighted average exercise price \$ |
| Outstanding, beginning of period (year) | <u>781,200</u> | <u>0.15</u> | <u>781,200</u> | <u>0.15</u> |
| Outstanding, end of period (year) | <u>781,200</u> | <u>0.15</u> | <u>781,200</u> | <u>0.15</u> |

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The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2014:

| Exercise price | Number of options outstanding | Weighted-average remaining contractual life (years) | Weighted average exercise Price \$ |
|--|--------------------------------------|--|---|
| Options outstanding and exercisable \$0.15 | <u>781,200</u> | <u>2.47</u> | <u>0.15</u> |
| Total options outstanding and exercisable | <u>781,200</u> | <u>2.47</u> | <u>0.15</u> |

As at 31 July 2014, the Company had stock options issued as follows:

| <u>Number of stock options</u> | <u>Exercise Price (\$)</u> | <u>Expiry</u> |
|--------------------------------|----------------------------|-----------------|
| 781,200 | 0.15 | 18 January 2017 |

Share Purchase Warrants

The following is a summary of the changes in the Company's share purchase warrants for the six month period ended 31 July 2014 and year ended 31 January 2014:

| | Period ended 31 July 2014 | | Year ended 31 January 2014 (Audited) | |
|---|--|---|---|---|
| | Number of share purchase warrants | Weighted average exercise price \$ | Number of share purchase warrants | Weighted average exercise price \$ |
| Outstanding, beginning of period (year) | 268,000 | 0.15 | 268,000 | 0.15 |
| Granted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Outstanding, end of period (year) | <u>268,000</u> | <u>0.15</u> | <u>268,000</u> | <u>0.15</u> |

As part of the agent commission for the Offering completed on 31 October 2012, the Company also issued share purchase warrants equal to 8% of the number of shares sold pursuant to the Offering, exercisable at a price of \$0.15 per warrant for a period of 24 months from the date of issuance.

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As at 31 July 2014, the Company had warrants issued as follows:

| <u>Number of warrants</u> | <u>Exercise Price (\$)</u> | <u>Expiry</u> |
|---------------------------|----------------------------|-----------------|
| 268,000 | 0.15 | 31 October 2014 |

Share-based Payments

Share-based payments for the following options granted by the Company was amortized over the vesting period, of which \$Nil was recognized during the six month period ended 31 July 2014 (31 January 2014 - \$Nil):

| Grant date | Fair value | For the three month period ended 31 July 2014 | For the three month period ended 31 July 2013 | For the six month period ended 31 July 2014 | For the six month period ended 31 July 2013 |
|-------------------|-------------------|--|--|--|--|
| | \$ | \$ | \$ | \$ | \$ |
| | - | - | - | - | - |

9. Related Party Transactions

During the year ended 31 January 2013, an officer and director of the Company made a general contribution to capital to the Company in the amount of \$3,160. This has been recorded as an increase in contributed surplus (Note 8).

During the year ended 31 January 2013, the Company entered into an agreement with Millen Mountain Exploration Inc., a company related by way of a director and shareholder in common where by the Company is to transfer all mineral rights and exploration licenses related to Millen Mountain Property in exchange for the proceeds of \$18,000, which is to be paid on or before 5 July 2012 (unpaid) (Notes 6 and 12).

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Key management personnel compensation

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

| | For the three month period ended 31 July 2014 | For the three month period ended 31 July 2013 | For the six month period ended 31 July 2014 | For the six month period ended 31 July 2013 |
|--|--|--|--|--|
| | \$ | \$ | \$ | \$ |
| Short-term benefits - Management and other fees | 15,000 | 15,000 | 30,000 | 30,000 |
| Share-based payments | - | - | - | - |
| | <u>15,000</u> | <u>15,000</u> | <u>30,000</u> | <u>30,000</u> |
| Total key management personnel compensation | 15,000 | 15,000 | 30,000 | 30,000 |

These transactions are 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.

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 6, 8 and 10).

Due from/to related parties

The assets of the Company include the following amounts due from related parties (Note 5):

| | As at 31 July 2014 | As at 31 January 2014 (Audited) |
|---------------------------------------|-------------------------------|--|
| | \$ | \$ |
| An officer of the Company | 3,025 | 3,139 |
| Total amount due from related parties | <u>3,025</u> | <u>3,139</u> |

Rheingold Exploration Corp.

Notes to Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

31 July 2014

10. Supplemental Disclosures with Respect to Cash Flows

| | For the three month period ended 31 July 2014 \$ | For the three month period ended 31 July 2013 \$ | For the six month period ended 31 July 2014 \$ | For the six month period ended 31 July 2013 \$ |
|--|---|---|---|---|
| Cash paid during the period for interest | - | - | - | - |
| Cash paid during the period for income taxes | - | - | - | - |

On 12 July 2013, the Company issued 50,000 common shares of the Company at \$0.12 per common share for a total value of \$6,000 related to the Pattullo Property (Notes 6 and 8).

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 the Pattullo Property (Notes 6 and 8).

On 5 August 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 6, 9 and 8).

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 6 and 8).

11. 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 2014, the Company's shareholders' equity was \$309,570 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 2014.

The Company is not subject to externally imposed capital requirements.

Rheingold Exploration Corp.

Notes to Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

31 July 2014

12. Commitment and Contingency

During the year ended 31 January 2013, the Company entered into an agreement with Millen Mountain Exploration Inc., a company related by way of a director and shareholder in common where by the Company is to transfer all mineral rights and exploration licenses related to Millen Mountain Property in exchange for the proceeds of \$18,000, which is to be paid on or before 5 July 2012 (unpaid) (Notes 6 and 9).

13. Subsequent Events

There are no reportable events occurring from the six month period ended 31 July 2014 to the date the condensed interim financial statements were authorized by the Board of Directors on 29 September 2014.