

**RINGBOLT VENTURES LTD.**  
**(An Exploration Stage Company)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED AUGUST 31, 2009**

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Notice to Reader

The interim balance sheet as at August 31, 2009 and the interim statements of operations and deficit, and the interim statement of cash flows for the three month period then ended are the responsibility of the Company's management. All amounts are stated in Canadian Dollars. Our auditors have not reviewed or audited this interim financial statement.

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**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED BALANCE SHEETS**

	August 31, 2009	May 31, 2009
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 1(p))	\$ 2,201,793	\$ 2,539,919
Accounts receivable	126,615	4,147
Prepaid expenses	75,000	909
	<b>2,403,408</b>	<b>2,544,975</b>
<b>Mineral properties</b> (Notes 2 and 5)	<b>1,030,782</b>	381,554
<b>Mineral properties of a disposable unit</b> (Notes 2 and 5)	-	571,524
	<b>\$ 3,434,190</b>	<b>\$ 3,498,053</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 123,478	\$ 103,144
Accounts payable of a disposable unit	-	28,544
	<b>123,478</b>	<b>131,688</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 3)	4,793,409	4,793,409
Contributed surplus (Note 3)	812,885	812,885
<b>Deficit</b>	<b>(2,295,582)</b>	<b>(2,239,929)</b>
	<b>3,310,712</b>	<b>3,366,365</b>
	<b>\$ 3,434,190</b>	<b>\$ 3,498,053</b>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)  
Commitments (Note 2 and 7)

On Behalf of the Board:

*"Simon Tam"*

Director

*"Derrick Strickland"*

Director

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

**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

	<b>Three Months Ended August 31,</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Management and administration fees	-	13,951
Corporate development fees	-	21,000
Audit and accounting	<b>18,676</b>	25,128
Legal	<b>30,750</b>	23,451
Consulting fees	<b>12,240</b>	15,060
Director fees	-	3,000
Transfer agent and filing fees	<b>5,077</b>	2,868
Political contributions	-	61,631
Rent and Office Expenses	<b>4,500</b>	19,732
Bank charges	<b>28</b>	553
Travel and promotion	-	13,876
Investor relations	<b>2,898</b>	77,033
	<b>(74,169)</b>	<b>(277,283)</b>
<b>OTHER ITEMS</b>		
Foreign exchange gain (loss)	<b>5,026</b>	21,927
Interest income	<b>13,490</b>	11,982
	<b>18,516</b>	33,909
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(55,653)</b>	<b>(243,374)</b>
<b>DEFICIT- BEGINNING OF PERIOD</b>	<b>(2,239,929)</b>	<b>(1,405,151)</b>
<b>DEFICIT- END OF PERIOD</b>	<b>(2,295,582)</b>	<b>(1,648,525)</b>
<b>LOSS PER SHARE- BASIC AND DILUTED</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>17,645,031</b>	<b>17,193,569</b>

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

**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Three Months Ended August 31,</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH AND CASH EQUIVALENTS PROVIDED BY</b>		
<b>(USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(55,653)	(243,374)
Items not affecting cash:		
Stock-based compensation	-	-
	(55,653)	(243,374)
Changes in non-cash working capital items:		
Accounts receivable	(122,468)	4,108
Prepaid	(74,091)	-
Accounts payable and accrued liabilities	(8,210)	1,025
	(260,422)	(238,241)
<b>INVESTING ACTIVITIES</b>		
Mineral property exploration costs	(25,016)	(287,207)
Mineral property acquisition costs	(52,688)	(50,000)
	(77,704)	(337,207)
<b>FINANCING ACTIVITIES</b>		
Share capital issued for cash	-	24,625
	-	24,625
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(338,126)</b>	<b>(550,823)</b>
<b>CASH AND CASH EQUIVALENTS- BEGINNING OF PERIOD</b>	<b>2,539,919</b>	<b>3,679,021</b>
<b>CASH AND CASH EQUIVALENTS- END OF PERIOD</b>	<b>2,201,793</b>	<b>3,128,198</b>
Non-cash transactions		
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Nature of Operations and Ability to Continue as a Going Concern**

These consolidated financial statements include the accounts of Ringbolt Ventures Ltd. (the "Company") (incorporated on June 13, 2006) and its 90%-owned subsidiary Bua USA LLC ("Bua") (incorporated on February 25, 2008 pursuant to the Corporations Act -Utah). All intercompany accounts have been eliminated and a minority interest has been recognized for the 10% interest of Bua not owned by the Company.

The Company is an exploration stage public company whose shares trade on the TSX Venture Exchange. The Company is engaged principally in the acquisition, exploration and development of mineral properties. The recovery of the Company's investment in mineral properties and attainment of profitable operations is principally dependent upon financing being arranged by the Company to continue operations, explore and develop the mineral properties and the discovery, development and sale of ore reserves. The outcome of these matters cannot presently be determined because they are contingent on future events.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At August 31, 2009, the Company had not yet achieved profitable operations, has accumulated losses of \$2,295,582 since inception, had a working capital of \$2,279,931 and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

##### **(b) Mineral Properties**

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(b) Mineral Properties (continued)**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of the Company's knowledge, title to all of its properties are in good standing.

##### **(c) Changes in Accounting Policies**

###### *Assessing Going Concern*

The Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The additional disclosures are presented in Note 1(a).

###### *Financial Instruments*

The AcSB issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3863, *Financial Instruments – Presentation*, and Section 3865, *Hedges*. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The additional disclosures are presented in Note 1(o).

The AcSB issued CICA Handbook Section 3863, *Financial Instruments – Presentation*, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The additional disclosures are presented in Note 1(o).

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(c) Changes in Accounting Policies (continued)**

###### *Capital Disclosures*

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The additional disclosures are presented in Note 8.

###### *Goodwill and Intangible Assets*

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This Section is effective as of June 1, 2009, and the new standard does not have a material impact on the Company's consolidated financial statements.

###### *Recent Accounting Pronouncements*

###### *Business Combinations*

In January 2009, the CICA issued Handbook Section 1582 - Business Combinations, 1601 - Consolidated Financial Statements and 1602 - Non-controlling Interests which replace CICA Handbook Section 1581 - Business Combinations and 1600 - Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt anyone of these Sections, the other two sections must also be adopted at the same time.

###### *International Financial Reporting Standards*

In addition to the above accounting pronouncements, the Canadian AcSB in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(c) Changes in Accounting Policies (continued)***International Financial Reporting Standards (continued)*

interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot reasonably be estimated at this time.

**(d) Financial Instruments**

Effective June 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation, and Section 3865 – Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are initially measured in the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost.

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents as held-for-trading. Receivables and deposits are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. There was no effect on the financial instruments as at June 1, 2007 as a result of adopting these policies.

Company had no "other comprehensive income or loss" transactions during the period ended August 31, 2009, and no opening or closing balances for accumulated other comprehensive income or loss. As a result, these consolidated financial statements do not include a statement of Accumulated Other Comprehensive Income.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Equipment and Depreciation**

Equipment is recorded at cost. The Company provides for depreciation using the declining balance method at the following annual rates:

Exploration equipment	30%
Office computers	45%
Vehicles	35%

Additions during the period are depreciated at one-half the annual rate. The Company does not presently own any equipment.

**(f) Asset Retirement Obligations**

Asset retirement obligations recognize the liability for legal obligations relating to the retirement of property, plant and equipment and obligations arising from the acquisition, construction, development, or normal operation of those assets. Such costs are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which the liability is incurred. A corresponding increase to the carrying amount of the related asset where one is identifiable is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the period is expensed. The amount of the liability is subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements. It is possible that the Company's estimate of its ultimate reclamation liabilities could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period the estimate is revised. As at August 31, 2009 the Company has no recorded reclamation liability.

**(g) Impairment of Long-lived Assets**

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized.

**(h) Environmental Costs**

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(h) Environmental Costs (continued)**

recorded when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated.

**(i) Share Capital**

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option and warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

**(j) Basic and diluted loss per Share**

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Existing stock options have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Escrow shares which are contingently returnable are excluded from the weighted average number of shares.

**(k) Foreign Currency**

The Company's functional currency is the Canadian dollar. Transactions and account balances recorded in foreign currencies and the accounts of integrated foreign subsidiaries have been translated into Canadian dollars using the temporal method. Under this method foreign currency amounts and transactions are translated as follows:

- (i) Monetary assets and liabilities at approximate exchange rates prevailing at the consolidated balance sheet dates;
- (ii) Non-monetary assets and liabilities at approximate historical exchange rates;
- (iii) Deferred costs at approximate average exchange rates in effect during the period in which the costs were incurred; and
- (iv) Gains or losses resulting from changes in exchange rates are included in the determination of income or loss.

**RINGBOLT VENTURES LTD.**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(l) Management's Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**(m) Stock-Based Compensation**

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

**(n) Income Taxes**

The asset and liability method is used for determining future income taxes. Under the asset and liability method, the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences in the time when income and expenses are recognized in accordance with Company accounting practices and the time they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory rates that are expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled.

**(o) Risk Management**

The Company is currently engaged in mineral exploration and development and is accordingly exposed to environmental risks associated with exploration activity.

The fair values of the Company's cash and cash equivalents, accounts receivable, and accounts payables and accrued liabilities approximate their carrying values.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(o) Risk Management (continued)**

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

##### *Credit risk*

The Company's cash and cash equivalents are held in a Canadian financial institution. The Company does not have any asset-backed commercial paper in its cash and cash equivalents.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

##### *Market risk*

##### **(i) Currency risk**

The Company is exposed to foreign currency risk relating to the activities of its US subsidiary. The Company funds certain subsidiary operational expenses in the USA using the US Dollar. Based upon the outstanding payables during the period, a 10 percent increase or decrease in the value of the Canadian dollar against the US dollar, with all other variables held constant, would have resulted in a decrease or an increase in foreign exchange gain of approximately \$6,000.

##### **(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash equivalents is limited because they are generally held at fixed market interest rates.

##### **(iii) Commodity price risk**

The ability of the Company to develop projects in resources properties and the future profitability of the Company are directly related to the market price of minerals. The Company closely monitors precious metal, minerals and fuel prices to determine the appropriate course of action to be taken by the Company.

##### **(p) Cash equivalents**

Cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at acquisition, that are readily convertible to specified amounts of cash. Included in cash and cash equivalents at August 31, 2009 are \$2,153,165 (May 31, 2009 - \$2,490,000) held in redeemable GIC to be matured on November 19, 2009 at an annual interest rate of 2.25%.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****2. MINERAL PROPERTIES****Hornby Basin Property – Northwest Territories, Canada**

By option agreement dated July 1, 2006, the Company has an exclusive option to acquire up to an undivided 100% right, title and interest in four mineral claims consisting of approximately 10,330 acres located in the Great Bear Lake area of the Northwest Territories known as the Hornby Basin Property (“HB Claims”).

Government regulations provide that the claims may be held by the owner for up to 10 years in total, provided that a minimum expenditure of allowable work of \$2.00 per acre is completed.

Consideration for the original July 1, 2006 option was as follows:

	<b>Option payment</b>		<b>Work commitments</b>		<b>Common shares</b>
On execution of the agreement	\$ 25,000	(paid)	\$ -		100,000 (issued)
On or before August 30, 2006	-		100,000	(spent)	
On or before July 1, 2007	25,000		-		200,000
On or before August 30, 2007	-		200,000		-
On or before July 1, 2008	25,000		-		200,000
On or before August 30, 2008	-		200,000		-
On or before July 1, 2009	25,000		-		500,000
On or before August 30, 2009	-		250,000		-
	<b>\$ 100,000</b>		<b>\$ 750,000</b>		<b>1,000,000</b>

By an amending agreement dated June 30, 2007, terms of the option were amended reducing the required cash payments to \$75,000 from \$100,000, reducing the required common share issuance from 1,000,000 common shares to 500,000 common shares and reducing the required exploration work commitments to \$100,000 from \$750,000.

As at May 31, 2009, the Company continues to evaluate the merits and timing of further exploration work on the HB claims.

To earn a 100% interest in the HB claims, the June 30, 2007 amended consideration is as follows:

	<b>Option payment</b>		<b>Work commitments</b>		<b>Common shares</b>
On execution of the agreement	\$ 25,000	(paid)	\$ -		100,000 (issued)
On or before August 30, 2006	-		100,000	(spent)	
On or before July 1, 2008	50,000	(paid)	-		400,000 (issued)
	<b>\$ 75,000</b>		<b>\$ 100,000</b>		<b>500,000</b>

The HB claims are subject to a 2% Net Smelter Return royalty which Ringbolt can buy down to 1% at a cost of \$1,000,000.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**2. MINERAL PROPERTIES (continued)**

**Hornby Basin Property – Northwest Territories, Canada (continued)**

On August 8, 2008, the Company obtained written confirmation from the Optionors accepting the Company's late payment of \$50,000 cash and late delivery of the required 400,000 common shares to the Optionors. In addition, the Optionors acknowledged in writing that the Company has now earned a 100% interest.

**Paradox Basin Property – Utah, U.S.A.**

The Company purchased 90% of the issued and outstanding shares of Bua USA LCC ("Bua") for cash consideration of \$10,000, the director's original cost of the shares, and the commitment to fund 100% of all potash permit and license applications and related costs to acquire prospecting permits on Bureau of Land Management ("BLM") and mineral leases on the State lands located in the Paradox Basin within the State of Utah. This acquisition closed March 19, 2008, with an effective date of February 25, 2008, was a non arm's length transaction as one of the Company's directors was the owner of the acquired 90% share ownership of Bua. During the period from March 19, 2008 to July 22, 2008, Bua has applied for a net 25 prospecting permits with the BLM totalling 51,966 acres. All of the applied for prospecting permits are in the pending approval status. On August 8, 2008, through its 90% interest in Bua USA LLC, the Company was granted 9 State Mineral Leases for 6,277 acres in the Paradox Basin. As of August 31, 2009, the Company has advanced \$407,057 to Bua to fund permit and license application and related exploration costs. The other 10% of Bua's issued shares is owned by its Utah-based partner.

**Holbrook Basin Property – Arizona, U.S.A.**

On June 13, 2008, through its 90% interest in Bua USA LLC, the Company was granted 15 Arizona State Mineral Exploration Permits for potash in the Holbrook Basin. These permits are renewable on an annual basis but in no event renewable beyond June 12, 2013. In June 2008, the Company posted a \$15,000 US blanket reclamation and damage bond with the State of Arizona.

**Oil and Gas properties – Arizona, U.S.A.**

In the first quarter, Bua USA LLC paid certain costs of \$16,433 for identifying a potential property acquisition. Such costs are deferred and applied towards the cost of acquisition when completed.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****2. MINERAL PROPERTIES (continued)*****Mineral Acquisition and Exploration Costs***

As at August 31, 2009, the Company had incurred mineral property acquisition and deferred exploration costs as follows:

**As at August 31, 2009**

	Acquisition Note 2(a)	Deferred Exploration Note 2(a)	Total
Hornby Basin- Northwest Territories, Canada	\$ 269,000	\$ 112,554	\$ 381,554
Mineral properties	269,000	112,554	381,554
Paradox Basin- Utah, USA	136,902	270,155	407,057
Holbrook Basin- Arizona, USA	28,750	196,988	225,738
Oil and Gas property - Arizona, USA	16,433	-	16,433
Mineral properties of Subsidiary	182,085	467,143	649,228
Total mineral properties	\$ 451,085	\$ 579,697	\$ 1,030,782

**As at May 31, 2009**

	Acquisition Note 2(a)	Deferred Exploration Note 2(a)	Total
Hornby Basin- Northwest Territories, Canada	\$ 269,000	\$ 112,554	\$ 381,554
Mineral properties from continuing operation	269,000	112,554	381,554
Paradox Basin- Utah, USA	108,986	261,816	370,802
Holbrook Basin- Arizona, USA	20,411	180,311	200,722
Mineral properties from discontinued operation	129,397	442,127	571,524
Total mineral properties	\$ 398,397	\$ 554,681	\$ 953,078

Refer to Notes 2(a) and 2(b) for the detailed mineral property costs incurred during the three months ended August 31, 2009 and the year ended May 31, 2009.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****2. MINERAL PROPERTIES (continued)*****Mineral Acquisition and Exploration Costs (continued)***

a) As Bua USA LLC (“Bua”) is no longer considered a disposable unit, mineral properties relating to Bua are no longer disclosed as mineral properties of a discontinued operation (See note 5).

Mineral Property Costs for the Period Ended August 31, 2009

	Hornby Basin	Holbrook Basin	Paradox Basin	Oil and Gas Property	Total
<b>Property acquisition costs</b>					
Balance, beginning of the period	\$269,000	\$20,411	\$108,986	\$ -	\$398,397
Cash		8,339	27,916	16,433	52,688
Shares (including obligation to issue shares)					
Balance, end of the period	269,000	28,750	136,902	16,433	451,085
<b>Deferred exploration costs</b>					
Balance, beginning of the period	112,554	180,311	261,816	-	554,681
<b>Incurred during the period:</b>					
Consulting	-	8,339	8,339	-	16,678
Exploration	-	-	-	-	-
Geological	-	-	-	-	-
Permit applications	-	8,338	-	-	8,338
Professional services	-	-	-	-	-
Total expenditures during the period	-	16,677	8,339	-	25,016
Total expenditures, end of the period	112,554	196,988	270,155	-	579,697
Balance, end of the period	\$ 381,554	\$ 225,738	\$ 407,057	\$16,433	\$ 1,030,782

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****2. MINERAL PROPERTIES (continued)****Mineral Acquisition and Exploration Costs (continued)**

## b) Mineral Property Costs for the Year Ended May 31, 2009

	Hornby Basin	Holbrook Basin	Paradox Basin	Total
Property acquisition costs				
Balance, beginning of the period	\$ 35,000	\$ 19,253	\$ -	\$ 54,253
Cash	50,000	1,158	108,986	160,144
Shares (including obligation to issue shares)	184,000	-	-	184,000
Balance, end of the period	269,000	20,411	108,986	398,397
Deferred exploration costs				
Balance, beginning of the period	112,554	61,741	170,965	345,260
Incurred during the period:				
Consulting	-	45,753	64,510	110,263
Exploration	-	120,550	165,926	286,476
Geological	-	11,573	24,712	36,285
Permit applications	-	18,824	313	19,137
Professional services	-	36,471	47,096	83,567
Total expenditures during the period	-	233,171	302,557	535,728
Total expenditures, end of the period	112,554	294,912	473,522	880,988
Write-off of deferred exploration	-	(114,601)	(211,706)	(326,307)
Balance, end of the period	\$ 381,554	\$ 200,722	\$ 370,802	\$ 953,078

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****3. SHARE CAPITAL & CONTRIBUTED SURPLUS****(a) Authorized**

Unlimited number of common shares without par value

**(b) Issued and Outstanding Share Capital**

	Number of Shares	Amount	Contributed Surplus
<b>Balance – June 16, 2006 (date of incorporation)</b>	-	\$ -	\$ -
Issued for Cash – escrow shares	4,943,750	134,375	-
Issued for Cash – private placement	1,541,250	202,875	-
Issued for property	100,000	10,000	-
Stock-based compensation	-	-	336,698
<b>Balance – May 31, 2007</b>	<b>6,585,000</b>	<b>347,250</b>	<b>336,698</b>
Issued for Cash – IPO October 2007	2,190,000	547,500	-
Issued for Cash – Private Placement March 2008	2,000,000	1,000,000	-
Issued for Cash – Private Placement April 2008	5,184,000	2,592,000	-
Issued for Cash – Exercise of Options	524,000	131,000	-
Issued for Cash – Exercise of Agents’ Warrants	94,058	23,515	-
Issued for Finders Fees on private placements	555,000	277,500	-
Share issue cost – shares	-	(277,500)	-
Issued for Agent’s Commission on IPO	14,473	3,618	-
Agent’s warrants issued on IPO	-	(21,667)	21,667
Stock based compensation expense	-	-	627,846
Transfer from Contributed Surplus on Exercise of Warrants	-	9,306	(9,306)
Transfer from Contributed Surplus on Exercise of Options	-	51,842	(51,842)
Transfer from Contributed Surplus on Release of Escrow Shares	-	84,175	(84,175)
Share issue costs including Finders fees paid in cash	-	(206,759)	-
Shares issued during year	10,561,531	4,214,530	504,190
<b>Balance -May 31, 2008</b>	<b>17,146,531</b>	<b>\$4,561,780</b>	<b>\$ 840,888</b>
Issued for mineral properties	400,000	184,000	-
Issued for cash – exercise of Options	48,500	12,125	-
Issued for cash – Agents’ Warrants	50,000	12,500	-
Transfer from Contributed Surplus on Exercise of Options	-	23,056	(23,056)
Transfer from Contributed Surplus on Exercise of Warrants	-	4,947	(4,947)
Share issue costs including Finders fees paid in cash	-	(5,000)	-
Shares issued during the period	498,500	231,628	(28,003)
<b>Balance – May 31, 2009</b>	<b>17,645,031</b>	<b>\$4,793,408</b>	<b>\$ 812,885</b>
<b>Balance - August 31, 2009</b>	<b>17,645,031</b>	<b>\$4,793,408</b>	<b>\$ 812,885</b>

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(b) Issued and Outstanding Share Capital (continued)**

During the year ended May 31, 2009, the Company issued the following shares:

- (i) 400,000 common shares in August 2008, at a fair value amount of \$0.46 per share, as part of the consideration paid for the Option payment on the Hornby Basin mineral property.
- (ii) 48,500 common shares in June 2008, in consideration of receiving \$12,125 in proceeds from the exercise of stock options.
- (iii) 50,000 common shares in June 2008, in consideration of receiving \$12,500 in proceeds from the exercise of agents' warrants.
- (iv) Included in share issue costs for the year are previously deferred finders' fees of \$5,000.

**(c) Stock Purchase Options**

The Company has established a share purchase option plan whereby the board of directors may, from time to time; grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding share capital. These options may be granted for a maximum term of five (5) years from date of grant.

A summary of the Company's option transactions for the period June 13, 2006 (date of incorporation) to August 31, 2009 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, June 16, 2006 (date of incorporation)	Nil	\$ -	-
Granted	658,499	0.25	-
Exercised	-	-	-
Balance, May 31, 2007	658,499	0.25	-
Granted	1,425,000	0.69	2
Exercised	(524,000)	0.25	2
Balance, May 31, 2008	1,559,499	0.65	2
Granted	-	-	-
Exercised	(48,500)	0.25	2
Expired/Cancelled	(1,085,999)	-	-
Balance outstanding, May 31, 2009	425,000	0.74	0.85
Balance outstanding, August 31, 2009	425,000	\$ 0.74	0.85
Balance exercisable, August 31, 2009	425,000	\$ 0.74	0.85

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(c) Stock Purchase Options (continued)**

All of the 1,425,000 options granted during the year ended May 31, 2008 vested on the grant dates.

As at August 31, 2009, there were 425,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Price	Expiry Date
225,000	\$0.50	February 28, 2010
200,000	\$1.00	May 15, 2010
425,000		

During the three months ended August 31, 2009, the Company issued no stock options.

The fair value is measured at the grant date and charged immediately to earnings (cliff-vested) with a corresponding increase in contributed surplus. Consideration paid to the Company on exercise of all options is credited to share capital.

During the three months ended August 31, 2009, the Company recognized \$Nil (May 31, 2009 -\$Nil) of stock-based compensation expense for stock options granted during the period.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-valuation model with the following assumptions:

	For the three months ended August 31, 2009	For the year ended May 31, 2009
Expected dividend yield	n/a	n/a
Expected stock price volatility	n/a	n/a
Risk-free interest rate	n/a	n/a
Expected life of options	n/a	n/a

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective price assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(d) Share Purchase Warrants**

A summary of the Share Purchase Warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, May 31,2007	-	\$ -	-
Issued	3,874,500	0.75	1
Exercised	-	-	-
Expired/Cancelled	-	-	-
Balance outstanding, May 31, 2008	3,874,500	0.75	1
Issued	-	-	-
Expired/Cancelled	3,874,500	0.75	-
Balance outstanding, May 31, 2009 and August 31, 2009	-	-	-

**(e) Agents' Share Purchase Warrants**

As part of the Company's IPO financing in October 2007, the Company issued Share Purchase Warrants to the two Agents entitling the Agents to purchase up to 219,000 common shares of the Company at any time up to October 2, 2008 at an exercise price of \$0.75 per common share.

A summary of the Agents' Share Purchase Warrants is as follows:

	Number of Agent Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, May 31,2007	-	\$ -	-
Issued	219,000	0.25	1
Exercised	(94,058)	-	1
Expired/Cancelled	-	-	-
Balance outstanding, May 31, 2008	124,942	0.25	1
Issued	-	-	-
Exercised	(50,000)	0.25	1
Expired/Cancelled	(74,942)	0.25	-
Balance outstanding, May 31, 2009 and August 31, 2009	-	-	-
Balance exercisable, May 31, 2009 and August 31, 2009	-	-	-

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(e) Agents' Share Purchase Warrants (continued)**

As at October 2, 2008, all of the remaining 74,942 Agents' Share Purchase Warrants expired.

The fair value is measured at the grant date and charged as a reduction from share capital as share issuance costs with a corresponding increase in contributed surplus. Consideration paid to the Company on exercise of all warrants is credited to share capital.

During the three months ended August 31, 2009, the Company recognized \$Nil (May 31, 2009 - \$Nil) of stock-based compensation expense for agents' warrants granted during the period.

The fair value of each agents' warrant is estimated on the date of grant using the Black-Scholes option-valuation model with the following assumptions:

	For the three months ended August 31, 2009	For the year ended May 31, 2009
Expected dividend yield	n/a	n/a
Expected stock price volatility	n/a	n/a
Risk-free interest rate	n/a	n/a
Expected life of options	n/a	n/a

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective price assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's agents' warrants.

**(f) Escrow Shares**

At August 31, 2009 there were 2,224,686 common shares (2009 – 2,224,686) held in escrow by the Company's transfer agent. The release of these shares is subject to regulatory approval.

**4. RELATED PARTY TRANSACTIONS**

During the three months ended August 31, 2009, the following related party expenses were incurred

- Director fees of \$Nil (2008 - \$3,000) were paid to a former director of the Company.
- Consulting fees of \$12,000 (2008 - \$15,060) were paid to companies controlled by directors and former directors of the Company
- Management & Admin fees of \$Nil (2008 - \$13,951) were paid to companies controlled by a director of the Company
- Accounting fees of \$4,500 (2008 - \$nil) were paid to a company controlled by a director of the Company

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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#### **4. RELATED PARTY TRANSACTIONS (continued)**

- e) Rental & Office expenses of \$4,500 (2008 - \$nil) were paid to companies controlled by directors of the Company
- f) Included in mineral property exploration was \$16,676 (2008 - \$nil) paid to a director, the spouse of a director, and a company controlled by a director of the Company
- g) Included in accounts payable is \$35,150 (2008 - \$Nil) due to a company controlled by a director of the Company
- h) Included in accounts receivable is \$85,160 (2008 - \$Nil) due from a director of the Company

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

#### **5. SUBSEQUENT EVENTS**

On September 08, 2009, the Company announced that the Company granted 1,300,000 incentive stock options at a price of \$0.10 per share to certain directors, officers and consultants.

On June 19, 2009, the Company announced that the Company had entered into a share purchase agreement for the sale of all its interest in BUA USA, LLC ("Bua). On September 15, 2009, the Company amended the closing date for the sale from September 15, 2009 to September 30, 2009. The transaction was not completed on September 30, 2009 and management has subsequently decided not to continue with disposal of its interest in Bua. Bua will no longer be classified as a disposable unit and has been disclosed with Ringbolt as a single entity.

#### **6. COMMITMENTS AND CONTINGENCIES**

On April 22, 2009, a former manager of the Company's subsidiary initiated legal action against the subsidiary consisting of a claim for damages totalling no less than \$60,000 and requesting a dissolution of the company. On June 19, 2009, the Company entered into a share purchase agreement with the former manager of the subsidiary in which the claim will be dismissed. See note 5.

#### **7. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform to current year's presentation.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED AUGUST 31, 2009**

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**8. CAPITAL MANAGEMENT**

The Company manages its cash, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirement to which it is subject.

The Company manages its capital structure and makes adjustments to it in light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds and acquire new exploration as circumstances dictate. The Board of Directors does not establish quantitative return on capital for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

**9. SEGMENTED INFORMATION**

The Company conducts all of its operations in one industry segment being the acquisition, exploration and development of resource properties. The geographical division of the Company's total assets are as follows:

	August 31,	May 31,
<u>Assets</u>	<u>2009</u>	<u>2009</u>
Canada	\$2,677,209	\$ 2,926,529
USA	781,947	-
Disposable unit (USA) (see note 5)	-	\$571,524
	<u>\$3,459,156</u>	<u>\$ 3,498,053</u>